

**WORLD NEWS**

## Spanish air controllers strike off

Air traffic controllers at Barcelona's El Prat airport called off a 24-hour strike scheduled to begin this morning.

The move came after Spanish authorities agreed to give the 140 controllers back-pay for special services. Holidaymakers may still face delays because Britain's air traffic control computer engineers have started an overtime ban and work-to-rule.

## Police launch hunt for IRA unit

Police in Britain are hunting an IRA unit and have begun a large security operation for next month's Tory party conference in Blackpool.

Fears of a terrorist attack have intensified since the arrest of three people in connection with incidents at the Wiltshire home of Ulster Secretary Tom King. The Home Office has issued a 48-hour extension in the detention of the three who must be charged or released on Sunday.

## Arrests in S Korea

South Korean police arrested more than 350 workers accused of taking part in violent strikes at occupied plants at Ulsan and Puyong, near Seoul, Page 3

## Portuguese rail collision

Two passenger trains crashed in the Algarve region of southern Portugal killing five people and injuring 29 others.

## Battles in Lebanon

Six people were killed and 21 wounded in fighting between members of Lebanon's Syrian Nationalist Social Party in battles in villages in north Lebanon.

## 21 die in bus crash

A packed bus plunged off a mountain highway into a deep valley in a suburb of Taipei in Taiwan, killing 21 people and injuring 21.

## Electricians sign deal

The electricians' union has signed a new strike-free, single-union deal in south Wales in place of an informal TUC pact to limit such agreements. Page 5

## Soldiers charged

Four Scottish soldiers and two ex-soldiers have been charged in connection with an alleged series of assaults and indecent committed assaults in Colchester in February.

## 50 UN staff 'missing'

Some 50 United Nations staff are detained, imprisoned or reported missing and some have even died in detention, said a UN human rights report. Most of the cases have occurred since 1984.

## Scargill rejects code

Arthur Scargill, president of the National Union of Mineworkers, rejected British Coal's amendment to its disciplinary code, increasing the likelihood that the union's executive will back industrial action. Page 6

## Actress fined

Actress Maria Aitken, sister of Tony Jonathan Aitken, was fined £500 in London for smuggling cocaine into Britain.

## Blast in Belgium

One woman died and four other people were missing after an explosion demolished part of an apartment block in the Belgian city of Ghent.

## MARKETS

DOLLAR	
New York lunchtime:	
DM 1.7670	
FF 6.0165	
SFR 1.6885	
Y141.90	
DM 1.7550 (1.7595)	
FF 6.0075 (6.0025)	
SFR 1.6870 (1.6835)	
Y141.70 (141.0)	
Dollar index 100.3 (100.3)	
Tokyo close Y141.45	
US LUNCHTIME RATES	
Fed Funds 7%	
3-month Treasury Bill:	
yield: 6.49%	
Long Bond: 9.4%	
yield: 9.45%	
GOLD	
New York: Comex Dec (last)	
\$472	
London: \$465.35	

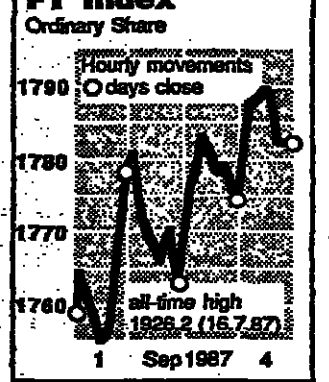
**BUSINESS SUMMARY**

## Guinness Mahon plan dropped

GUINNESS PEAT GROUP has abandoned a controversial multi-million pound plan to buy in a management team to run its marketing subsidiary, Guinness Mahon.

The deal has been the subject of a war of words between GPG and Equiticorp, the New Zealand banking and investment group, which launched a 110p-a-share bid, valuing the company at £258m. Back Page

## FT Index



# Discount rate raised as US reacts over inflationary pressure

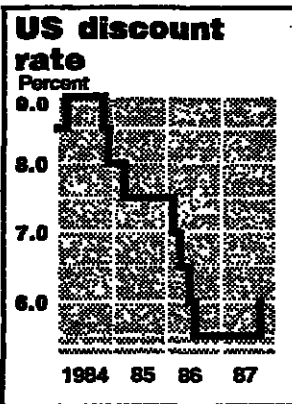
BY LIONEL BARBER IN WASHINGTON AND PHILIP STEPHENS IN LONDON

THE Federal Reserve, citing concern about inflationary pressures in the US economy, yesterday raised its key discount rate to 6 per cent from 5.5 per cent, effective immediately.

The rise in the discount rate—the first since April 1984—ended a series of steady declines and came amid renewed downward pressure on the value of the dollar. Major US banks, following suit, raised their prime lending rate from 8.25 per cent to 8.75 per cent.

A brief Fed statement said: "The decision reflects the intent of the Federal Reserve to deal effectively and in a timely way with potential inflationary pressures."

Analysts noted that the specific language appeared to be aimed at reassuring financial markets that the new Fed chairman, Dr Alan Greenspan, would be as determined an inflation fighter as his predecessor, Mr Paul Volcker.



expected a Fed discount rate increase for more than a week. After an initial upsurge in the dollar against the West German mark and Japanese yen, yesterday the markets started to discount the Fed move and the dollar ended with little change on Thursday's levels.

The Fed's timing—the eve of the long Labor Day weekend—appeared to be linked to US employment figures which showed a worrying build up in wage inflation

in August, coming on top of consumer price rises running at 5.5 per cent for the first six months of this year.

The Fed's 4-0 vote is the first major public action taken by Dr Greenspan since he took over from Mr Volcker last month. It is the first change in the discount rate since last August and involved the minimum number for a quorum.

Two members, Mr Robert Heller and Mrs Martha Seger were on holiday.

Last May, Mrs Seager was the sole dissenting voice on a 10-1 vote by the Fed and the Federal Open Market Committee which hinted at a discount rate change in the light of inflationary pressures.

The economic outlook has improved since May, reflected by stronger growth and a fall in the civilian employment rate to 6 per cent. Higher energy prices coupled with a weaker dollar have in turn raised fears about a resurgence in US inflation.

Last month, the Administration said it would not raise the discount rate.

Continued on Back Page

# Ladbroke acquires Hilton International for \$1.07bn

BY CLAY HARRIS

LADBROKE Group yesterday moved into the top echelon of world hotel companies by agreeing to pay \$1.07bn (£645m) for Hilton International.

The British betting, hotels, property and retailing group won Hilton after a take-it-or-leave-it offer to Allegis Corporation of the US, which had owned the chain for less than six months.

Ladbroke also launched a \$254m rights issue, its second largest cash call on shareholders within six months. It will fund the rest of the Hilton purchase with bank borrowing and sales of non-core assets. Hotels are expected to account for \$40m of the estimated \$200m Ladbroke will seek from disposals.

Mr Cyril Stein, Ladbroke chairman, said in New York after a lengthy negotiating session: "To have secured Hilton at a reasonable price is a great coup for Ladbroke." His judgment was echoed by competitors and on the London stock market, where Ladbroke shares added 2p to 44p despite the rights issue.

Hilton's 91 hotels, including those owned and managed, will

bring Ladbroke a total of 35,000 rooms in 44 countries. As a result Ladbroke will operate a total of 50,000 rooms, including those under development.

Ladbroke will put the Hilton name on many of its existing hotels. Below the top-flight properties, it will create a Hilton Inn chain to expand in regional commercial centres around the world. Some hotels will continue to carry the Ladbroke name.

The new owner plans to reduce Hilton's traditional emphasis on US tourism, a reliance which in 1986 contributed to a 21 per cent fall in pre-tax profits to \$47.6m. It will continue its strategy of concentrating on the growing international business and conference market.

Hilton, part of the TWA empire for more than 20 years, is the second leading luxury hotel chain to move from a US airline to British ownership. In 1981 Pan Am sold the Intercontinental chain to Grand Metropolitan for \$500m.

The international chain was spun off from Hilton Hotels Corporation in 1984 and has no connection with the domestic US group, apart from joint ownership of a reservation system.

The winning bid was almost exactly equal in sterling terms to Ladbroke's unsuccessful \$850m offer for Hilton last year. KLM, the Dutch airline, won the first auction held by the world's largest former parent of TWA.

The hotel chain's owner at the time—with a \$975m bid, but had the purchase blocked by its own supervisory board.

United Airlines stepped in with a \$850m offer but its own problems forced the group—by then renamed Allegis—to put Hilton back on the block in June, only two months after completing the purchase.

Ladbroke warned Allegis that it would withdraw from the bidding if its offer was not accepted on Thursday. In return it offered the certainty that the deal would not come unstuck.

Ladbroke's one-for-five rights issue at 37p is underwritten by Charterhouse Bank, its merchant bank. It follows a three-for-one issue at 37p, which raised \$294m in April for development of the group's four core businesses.

Background, Page 8  
Lex, Back Page

# Brierley announces £367m hostile bid for Equity & Law

BY TERRY POVEY

IN THE first hostile takeover bid for a UK life assurance company for two decades, Brierley Investments, the New Zealand investment holding group run by Mr Ron Brierley, yesterday launched an offer valuing Equity and Law at £367m.

"This offer is wholly unwelcome and completely fails to recognise the value of Equity & Law," said Mr Chris Brockson, its chief executive officer. It would be strongly resisted because "it is not in the interest of either shareholders or policyholders."

Mr Brierley is convinced the bid will succeed. His group's earlier contested offers—£260m for Ocean Transport and Trading last autumn and £95m for Molins in July—failed because of institutional opposition.

He said: "We begin this bid with a sizeable stake—29.6 per cent—and have been the only major buyers of this stock for the last 18 months." There are no other large shareholders.

ings in Equity & Law, which ranks 20th in size among UK life companies.

The core of the Brierley 365p-a-share cash offer to Equity's shareholders is that the life company has a dull investment record and conserves too much with returns to policyholders than to shareholders.

Mr Brockson denies these allegations. "Our dividend growth has averaged 22 per cent a year in the last decade, one of the highest among the life offices, and we've achieved a 20 per cent return on our main fund last year."

Life companies are tightly regulated as to how much they can pay out in profits, the split between returns to shareholders and policyholders, reserve requirements and even the appointment of the chief actuary who monitors a company's ability to meet long-term obligations under its policies.

One aspect of this regulatory minefield—which Mr Brierley believes is a "nuisance but not an obstacle"—is the need for

the bidder to obtain Department of Trade and Industry clearance for a stake in excess of 33 per cent.

Processing of applications could take up to three months. This could inhibit the Brierley group's takeover timetable because its request for clearance has not yet been submitted.

The attractions of Equity to the Brierley group are primarily the £3.5bn of policyholders' funds invested in a mixture of gilts, bonds, property and shares. Mr Brierley believes the return on this portfolio could be considerably improved and Equity's overhead costs significantly reduced.

Mr Brockson said that while there were limits to what could be done with these funds there was some scope for a more aggressive approach. He added: "We don't believe that life companies should adopt a high-risk investment policy because of our responsibilities to policyholders." Background, Page 4; Lex, Back Page

# UN chief to visit Iran and Iraq on peace mission

BY ANDREW GOWERS IN LONDON AND ALAN FRIEDMAN IN MILAN

THE UNITED Nations Security Council yesterday agreed to send Mr Javier Perez de Cuellar, UN Secretary-General, to Iran and Iraq as soon as possible in what may prove to be a final diplomatic effort to secure a ceasefire in the seven-year-old Gulf war. It ordered both countries to cease all hostilities during the mission.

Mr Perez de Cuellar is expected to go to Tehran in the second half of next week, travel on to Baghdad and return to New York on September 16 or 17. However, the Security Council has set tough conditions for his visit.

He is empowered only to secure compliance with an earlier council resolution ordering a ceasefire and not to negotiate on aspects of it, as the Iranians had been hoping. Although Iraq has said it will accept this resolution if Iran will, Tehran is still thought unlikely to endorse it in full, though Mr Perez de Cuellar said Iraq had agreed to discuss it.

If Iran finally rejects the resolution, the UN is likely to press the Security Council to adopt a mandatory ban on arms sales to Iran. The UN State Department said yesterday that it was sending a senior diplomat to discuss the Gulf with Soviet officials.

In the Gulf yesterday there was a sudden lull in attacks on shipping, which had reached an unprecedented degree of

ferocity earlier in the week after Iraq had resumed the tanker war last Saturday. The lull reflected the UN call for a temporary truce.

However, Kuwait, which has repeatedly been threatened by Iran, said an unidentified long-range missile had landed on its coast early in the day in what was believed to have been the first incident of its kind. No damage or injuries were reported.

Meanwhile, Italy said it would send a naval task force to the Gulf to protect Italian shipping, increasing the number of foreign warships in the already crowded waterway. The decision to dispatch the task force marked a significant shift in Italy's policy over the Gulf and is the first occasion Italian forces have been deployed outside the Nato area since disbandment of the ill-fated Multinational Force in Lebanon in 1984.

The announcement of what Mr Valerio Zanone, Defence Minister, called a defensive initiative came a day after what was presumed to be an Iranian patrol boat had fired rocket-propelled grenades at the Jolly Rubino, an Italian container ship.

In the Hague, Mr Ruud Lubbers, the Dutch Prime Minister, said the Dutch navy was "intensifying its efforts to solve the logistical problems" involved in sending two mine-

Continued on Back Page

# Russians sentence Rust to four years in labour camp

BY PATRICK COCKBURN IN MOSCOW

THE Soviet Supreme Court yesterday sentenced Mr Mathias Rust, a 19-year-old West German pilot, to four years in a labour camp.

Mr Rust landed his light aircraft in Red Square, Moscow, in May resulting in a shake-up of the Soviet armed forces.

The judge rejected Mr Rust's claim that he had flown to Moscow on a peace mission to see Mr Mikhail Gorbachev, the Soviet leader, and said the aim of the flight was "to seek publicity."

Earlier, in the three-day trial Mr Rust pleaded guilty to charges of illegal entry into the Soviet Union and violating international flight rules but denied malicious hooliganism.

He showed no emotion as the sentence was read out and his

parents looked pleased, presumably because his four-year sentence in an ordinary regime camp is half the eight years in a strict regime labour camp demanded by the prosecution.

Western diplomats in Moscow expect that Mr Rust will not serve his full term in a camp but will be released either through amnesty or pardon.

Mr Rust's unimpeded Cessna flight on May 28 from Helsinki to St Basil's Cathedral, 100 years from the redbrick wall of the Kremlin, provided the excuse for a clampdown on the military by Mr Gorbachev. The Kremlin was therefore bound to take a serious view of the incident.

March Sergei Sokolov, the

Continued on Back Page

## WEEKEND FT



## GENETICS

Developments in biotechnology are threatening to turn the EC's Common Agriculture Policy from force to tragedy, reports Giles Merritt. PAGE 1

## FINANCE

How you'll be affected by the delay in introducing personal pensions. PAGE V

## MOTORING

Peugeot produces another winner—the 405 SRi. PAGE VIII

## COLLECTING

The Burlington House Antique Dealers' Fair. PAGE IX

## HOW TO SPEND IT

... on English Eccentrics. PAGE XV

## ARTS

The Venice Film Festival. PAGE XVII

## SPORT

Michael Thompson-Noel on sports medicine. Ben Wright on golf course design. PAGE XVIII

**Oppenheimer**

# Three year performance to 1st September

Trust	Percentage increase in value	Position and total number in sector
UK Growth	+289.7	6th ..... 100
European	+228.9	1st ..... 22
Income & Growth	+200.7	3rd ..... 76
Worldwide Recovery	+180.1	4th ..... 81
Pacific	+162.0	6th ..... 32
Practical	+133.3	1st ..... 5
International	+130.7	13th ..... 81
Japan	+119.8	25th ..... 36
High Income	+106.7	10th ..... 13
American	+53.4	23rd ..... 64

Our last fund launches were in September 1984. This month, for the first time, we can quote three year performance for all of our funds.

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## OVERSEAS NEWS UK NEWS

## S Korea strikers arrested as fears rise over violence

BY RICHARD GOURLAY IN SEOUL

SOUTH KOREAN police yesterday arrested more than 250 workers accused of taking part in violent strikes that have hit two towns.

The arrests came as the opposition and government parties warned that labour violence could threaten democratic presidential elections in December.

The dawn arrests at Hyundai Heavy Industries in Ulsan were made after strikers occupied offices and attacked company property — breaking windows and computers but not so far factory equipment. Earlier this week, after 10,000 strikers marched to the centre of town, a handful of them burned parked cars at the City Hall, though union leaders later claimed the arsonists did not work at Hyundai and could have been agitators.

The Home Affairs minister said industrial violence had gone far enough and warned that police would arrest strikers who seized offices, set fire to property or took employers hostage.

At the Daewoo Motor Company, in Puyong near Seoul, police arrested about 70 men as they slept in a dormitory after the company requested police help to end a sit-in.

At Hyundai the strike was triggered by a pay dispute where 7 per cent divides the union and management while at Daewoo, the company says there are three unions claiming to represent workers making it impossible to start wage negotiations.

One of the opposition's two top leaders, Mr Kim Dae Jung, denounced the violence but said only a few of the 10,000 Hyundai strikers were involved. Meanwhile about 2,000 students at Seoul's Yonsei University fought riot police yesterday after calling for the resig-



Kim Dae Jung: denounced violence.

nation of President Chun Doo Hwan and the release of political prisoners.

For some weeks there have been fears in Seoul of a "September crisis" should student riots continue after they return to university at the same time as labour strikes continue. The fear is that this might give the hard line officers an excuse to halt the transition from military dictatorship to democracy.

Radical students' efforts to politicise what are basically strikes over wages and the right to set up free trade unions have so far been shunned by workers.

On Wednesday, US Senate chairman of the foreign affairs subcommittee on Asia, Mr Alan Cranston, said that President Clinton, and his hand-picked presidential candidate, Mr Rob Tae Woo, both assured him that they were committed to seeing the first direct presidential elections in 16 years take place in December.

## Greece begins tricky task of negotiating on US bases

BY ANDRIANA IERODIACONOU

THE GREEK Government and the US began talks on the future of the four American military bases in Greece.

Mr Robert Kneley, the US ambassador to Greece, and Mr Karolos Papoulias, the Greek Foreign Minister, held a preliminary meeting on procedural details. The agreement on the bases' operation expires in December 1988.

Greek and American officials said the main negotiations are expected to begin next month in Athens. No timetable had been set for the completion of negotiations. This is a thorny point for the American side,

which has wanted to nail down the prospects for the bases beyond 1988 for the past year and a half, so far to little effect.

The Greek Socialist government is formally opposed to the presence of the American bases, and signing a new agreement on their operation is politically tricky. The government has indicated that it would be willing to allow the bases to stay in exchange for US support for Greece in its disputes with Turkey over the Aegean and Cyprus. Any new agreement resulting from the negotiations is to be submitted to a referendum.

## Officials confront Poland's capitalists

A GROUP OF Polish businessmen and free market economists — many of them Solidarity supporters — yesterday held the founding meeting of the Economic Society, a body which aims to promote private enterprise.

The organisation has taken nine months to win official approval, in spite of official protestations that the market would be allowed a greater role in Poland. It is likely to have its work cut out combating prejudice and bureaucratic opposition.

Budding entrepreneurs continue to come up against official barriers, while private sector profits and wages cause unrest among the public. Recently a row blew up over impressive profits earned by Agrotech, a company set up by the official rural youth movement to bolster its finances.

As soon as profits and incomes began to rise, officialdom took an interest, rescinding tax concessions and accusing the company of breaking the rules to make undeserved profits.

Other groups are also experiencing problems. Unicum is a co-operative set up in 1984 by Solidarity supporters; many of them freed political prisoners who were unable to return to their old jobs in the state sector. The co-operative took to acting as a middle man between state companies which in the

past had been told by state planners where to buy and sell. Since 1982 these controls have been eased, leaving state companies adrift with no experience of buying and selling. This is where Unicum came in.

Unicum has a turnover of Zl3.5bn a year. With commission around 3 per cent it can afford to pay members like Mr Andrzej Kaniewski, sentenced in 1982 for leading a strike against martial law at the Ursus tractor factory, at least three times what he would have been getting at his old job.

However, Mr Andrzej Machalski, a former philosophy don at Warsaw University who spent time in prison for helping to lead an underground Solidarity group, is now chairman of Unicum. He is keen to set up several limited joint stock companies.

These would deal in computers, provide design services or implement new technological ideas. The snag is that local government officials are reluctant to give permission for them to start trading or producing.

David Lascelles looks both sides of the counter to meet the new breed of bank manager  
A high profile in the quest for market intelligence

NO ONE, it seems, can be indifferent to bank managers. To some of us, they are angels of mercy. To others they are tightfists. To some they are pillars of the local community, to others the bobbies of the high street. What is certain, though, is that if Britain's 12,500 bank managers suddenly disappeared, chaos would barely describe the consequence.

Mr Steve Harris is one of them. He runs Midland Bank's branch in Stamford, a pleasant country town of 17,000 in south Lincolnshire noted for its fine

stone buildings. "They say that visiting your bank manager is a bit like going to the dentist," he said in his first-floor office overlooking the little market square. "If that's true, then it's a great shame. But I think it's totally wrong. We have a lot to offer."

And a lot to sell. Today's bank manager is far removed from the traditional image of the grim-faced, desk-bound type of old. The fierce competition between building societies, particularly during the credit boom of the last few years, has pushed the bank manager into the front lines of the battle for business.

Mr Harris, who is 38, is chatty and energetic, but firm-minded and determined to match every advance he can over his great local rivals, Barclays, NatWest, Lloyds and the TSB.

But he far prefers to be out and about, chatting with clients, getting Midland's name known and keeping tabs on projects he is helping to finance. As well as regular banking services, he promotes other facilities offered by the Midland group, such as leasing and merchant banking.

On a typical day, he might drive out to talk over a loan plan for a farmer who wants to buy some land ("I know he's a good farmer. But we have to work out whether he can make it pay.") His local industrial clients include C&G, a go-ahead ready-mixed concrete business with a fleet of 30 computer-controlled lorries, and Pegasus, one of the country's few makers of horseshoes.

They might need financial facilities to buy new equipment, or just an overdraft to tide them over troughs in the cash flow. Several of his clients

have facilities running into millions of pounds. "I know my customer. I know what he thinks. I almost know what his next question is going to be." And Mr Harris can never really be off duty. "If I meet someone in the street on Saturday, I can't say 'Sorry, not today, I've got my holiday hat on'."

In his constant quest for business and market intelligence, he and the Midland branch have built up an immense store of knowledge about the community. He

knows all the obvious things about his customers: how much they are worth, when their salary cheques come in and whether they are building extensions to their homes.

But a debit slip from a cash machine in France, for example, will tell him that someone has gone on holiday. Or the sudden ending of a joint account will alert him to a possible marital break-up.

Each morning, he goes through a checklist of accounts that are at or near their credit limits with the help of his secretary, Linda Starbuck, a local lady who has been at the branch for 15 years.

Should he bounce X's cheque for £50? Perhaps not, because his salary is due in three days. But Y, an aspiring but not successful businessman, has tried his luck once too often. As for Z, he got a loan to renovate his home and Mr Harris is watching his cheques carefully to ensure that the money is not

going astray. "If someone seems to be misbehaving or in trouble, we'll drop them a line. Or if I meet them in the high street, I might have a quick word," Mr Harris says.

But every community has its rascals and troublemakers. Now and then, Mr Harris will deliberately strain the relationship to breaking point in the hope that the client will give up and go elsewhere. But he also has to be on the alert for customers on the rebound from other banks.

"Bank managers have a way of knowing," he says a little mysteriously. "But you are vulnerable when you first arrive. Confidentiality is a sacred tenet, although Midland's terms of business allow it to disclose customer information to protect its own interests."

Before Stamford, Mr Harris worked in Midland's Small Business Unit at headquarters in London. That taught him the potential for entrepreneurship but also educated him to the distressing absence of management skills in many new companies.

"People don't like to be told how to run their affairs. If someone comes in and asks for a few thousand pounds to start a business, I have to be satisfied that they know how to manage it. And I am not going to lend money just because someone thinks he has a bright idea."

At the SBU, Mr Harris helped to write a series of booklets on how to prepare business plans. But does he not feel hard-hearted when he douses his would-be clients' enthusiasms or refuses to honour their cheques?

"People think they are entitled to credit, but they are not. We try to give advice as to how people should negotiate their way out of their problems. But in the end, people must be responsible if they borrow money."

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## BEHIND THE SCENES

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At the SBU, Mr Harris helped to write a series of booklets on how to prepare business plans. But does he not feel hard-hearted when he douses his would-be clients' enthusiasms or refuses to honour their cheques?

"People think they are entitled to credit, but they are not. We try to give advice as to how people should negotiate their way out of their problems. But in the end, people must be responsible if they borrow money."

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## UK NEWS

## Investors to pay £34m for Sphere Drake

By Nick Bunker

ALEXANDER & ALEXANDER Services, the world's second biggest insurance broker, has found a buyer for the London-based Sphere Drake group of insurance companies, which it acquired when it bought Alexander Howden, the Lloyd's insurance broker, in 1982.

Alexander & Alexander said a group of investors including Sphere Drake's existing managers and Dai-Itoku Fire and Marine, a Japanese insurer, had offered a price of £34m for the group, based on its estimated book value.

The offer's terms are complex, however, and would involve A & A in indemnifying the purchasers against any further deterioration in Sphere Drake's results arising from insurance business written before 1986.

The other investors in the group of purchasers are Centre Investors, an affiliate of Lazard Freres, the investment bank, and Electra, the British invest-

ment trust. Alexander and Alexander said any estimated loss incurred on the disposal would be less than £10m (£8.2m). Subject to completion of documentation, A & A's management intends to recommend acceptance of the offer to the A & A board before the end of September.

Sphere Drake has required big infusions of capital from Alexander and Alexander at various times since 1982, because of heavy losses arising from its involvement in North American casualty insurance.

The Sphere Drake group includes five companies altogether. They made a pre-tax profit of £2.38m in 1986, after a loss of £17m in the preceding year. The group has total assets of £226.4m. The sale of Sphere Drake would mark "a significant step" in A & A's global withdrawal from insurance underwriting, said Mr Peter Tritton of Alexander Howden, Sphere Drake has been up for sale for some time.

## Traders complain about Connect card

By Hugo Dixon

RETAIL CONSUMERS, the shopkeepers' trade association, has reopened the controversy over Barclays Bank's Connect debit card by writing to the Office of Fair Trading to complain about how the bank is treating small retailers.

The consortium argues that Barclays is using its monopoly position in the credit card market to force retailers into accepting Connect at unreasonable high charges. It says small retailers are being discriminated against.

The focus of the consortium's complaint is that Barclays is implicitly threatening any retailer who refuses to accept Connect, which carries the Visa brand name, with exclusion from the Visa credit card network.

"The risk of loss of custom to his competitors, particularly the large multiplier, is one which [the smaller retailer] cannot afford to take," the consortium

said in a statement. Mr Michael Wisbey, of the consortium, said some retailers were therefore being pressured into accepting the card even though they thought the charges were too high.

Mr Wisbey admitted that most large retailers had negotiated satisfactory terms with Barclays. Some smaller retailers that had high-value transactions, such as jewellers and furniture stores, were also happy with the charges because their payment was guaranteed.

Small retailers with low-value transactions averaging less than £10 each were not happy, he claimed. They were paying 18p-25p for each transaction compared with about 12p for cheque processing, and saw few extra benefits from Connect.

Barclays denied using threats of exclusion during its negotiations with retailers over Connect. It said most retailers had accepted the card.

## Glaxo opens two ulcer drug plants

By Lynne McLean

GLAXO, the pharmaceutical giant, has opened two pharmaceutical plants yesterday in Scotland to double production of its drug for treating ulcers.

The plants, at Montrose, Angus, and Annan, Dumfriesshire, were built for £63m in the past three years. Glaxo's largest single investment. They make ranitidine, the active ingredient in treatment of peptic ulceration.

Glaxo claims that the Zantac drug, based on ranitidine, is the largest-selling pharmaceutical in the world.

The drug was launched six years ago from a plant at Montrose.

The new investment, and other projects, created 90 jobs at Annan and 30 at Montrose.

## Laker appeal rejected

By Michael Donne, Aerospace Correspondent

AN ATTEMPT by pilots and other former employees of the now liquidated Laker Airways to bring anti-trust proceedings against British Airways and other transatlantic airlines, after Laker's collapse in 1982, has failed.

The US Court of Appeals for the District of Columbia has rejected an appeal by the former Laker employees against an earlier decision against them by the US District Court.

The pilots and other employees had sought damages under the US anti-trust laws, on the ground that they had

## Motorway plan to ease queues in Birmingham

Financial Times Reporter

PLANS FOR a motorway to help to relieve congestion in the Birmingham area were published yesterday by the Department of Transport.

The proposal is for a 33-mile three-lane motorway to run from the M54 at Edgbaston in Staffordshire, on a line close to the A5 around Birmingham, to the M42 junction near Curdworth in Warwickshire.

Mr Peter Bottomley, the Roads and Traffic Minister at the department, said the draft proposals for the new Birmingham northern relief road were "a significant step towards easing the traffic problems in the region."

Work on the new road, which is in the early years, subject to consultations, objections and representations.

## Peugeot returns to net profit in first half

By Kenneth Gooding, Motor Industry Correspondent

PEUGEOT TALBOT, the UK subsidiary of the French vehicles group, made £5.7m net profit in the first half of this year. Mr Geoffrey Whalen, managing director, forecast yesterday that a modest profit for 1987 as a whole would follow.

In the first six months of 1986, Peugeot Talbot lost £8.3m. For the full year, the loss was £12.2m.

Mr Whalen hoped the company would be profitable in 1987 although it had had to cover the costs of two significant changes in the second half.

Peugeot Talbot is to close its operation in Canada, which makes kits for Iran with the loss of the last 50 jobs. The Iranians were unwilling to devote any resources to the state-owned Peykan car venture.

At the same time, the company faces the one-off cost of putting the Peugeot 405 model into production at Ryton, near Coventry, by October and launching it on the UK market.

However, benefits have come from a strong performance in the UK new car market. Peugeot Talbot's share of the first half improved to 4.7 per cent from 4.4 per cent in the same period of 1986 and in August it achieved 5.4 per cent.

"We expect to hold the August level for the rest of the year," said Mr Whalen.

Peugeot Talbot's first-half turnover, which improved from £213.6m to £272.5m although it sent 7,000 fewer kits to Iran, was helped not only by improved car sales in the UK but also by some export of the 309 model to Belgium, the Netherlands and West Germany.

There was an operating profit of £9.3m in the first half compared with a loss of £3.2m in the same months of 1986. Net interest cost fell from £5.1m to £3.6m this year.

Mr Whalen said Peugeot Talbot could expect a continuing improvement in its financial results in 1986.

He said the company, which has made a profit in two of the past 15 years, "can look to a profitable future."

## Britoil plans Manchester test drilling

Financial Times Reporter

BRITTOIL, the largest of the independent UK oil companies, is reviewing plans for test drilling in central Manchester after analysing seismic data collected last year.

The company said exploratory drilling would not start until the latter part of next year. It would depend on a firm decision by the company and consultations with the local authority.

If the drilling were to go ahead, it would be the first in a UK city centre, although test wells have been sunk in Paris and there is one oil-producing well in Los Angeles.

Britoil said that although drilling rigs were large, the difficulties of drilling in built-up areas were not insuperable, provided a large enough site could be found.

Oil companies have not recently been doing much exploratory drilling in the UK, maintained because of relatively disappointing results after the discoveries at Humbley Grove and Wytham Farm in the south.

## Courts co-operating with DTI investigation

By Our Financial Staff

NATIONAL Westminster Bank said yesterday that Courts & Co, its prestige banking subsidiary, was co-operating "to the fullest possible extent" with a Department of Trade and Industry investigation.

The investigation is believed to concern possible insider trading in shares of WPP, the advertising group, in which a 10 per cent stake was acquired by Satchel and Satchel in 1985.

The DTI said it did not comment on its inquiries.

Nick Bunker reports on growing company fears of vulnerability to foreign predators

## Looking for insurance against hostile bids

WHATEVER HIS plans for Equity and Law, the life assurance group, Mr Ron Brierley, the New Zealand entrepreneur, has made history. He may also have brought to a climax the anxieties felt by some of the UK's biggest insurance companies about their vulnerability to foreign predators.

Not since the late 1960s, when Mr Jim Slater was named most often as a potential bidder, has a British life company been the target of a hostile takeover. Eagle Star was the subject of a bid battle in 1982-83 between Allianz, the German insurer, and BAT Industries. However, Eagle Star was primarily a non-life insurer.

The last actual case was nearly 20 years ago, when Nationale Nederlanden, the Dutch insurer, took control of Life Association of Scotland.

A more interesting case was that of Scottish Life, which in 1967 discovered that one of Mr Slater's associates had built up a secret stake through a nominee account.

It feared that Mr Slater would "asset-strip" its funds

by winding up its insurance operations and unlocking its surplus investment funds.

Scottish Life beat off the challenge by the drastic move—generally regarded as impossible today—of passing a private Act of Parliament to turn itself into a mutual company owned by policyholders.

The lack of bids is partly to do with regulation. The 1982 Insurance Companies Act imposes strict limits on what a bidder could do to draw extra profits swiftly out of, say, Equity & Law's £3.5bn investment portfolio.

By law, life companies have to set a "participation rate," which governs how much of their profits go to shareholders and how much to policyholders. The normal split is 30:10 in favour of the latter.

A successful bidder could try to draw out more money for shareholders by changing the participation rate in their favour. But he would have to tell the Department of Trade and Industry and publish the fact if he wanted to change it by more than 1 per cent a year.

Further, section 37 of the

## EQUITY &amp; LAW INVESTMENT PORTFOLIO

Assets (£m)	1986	1985
UK Main Fund:		
British government securities	482	463
Overseas interest investments		
less loans	145	105
Equities UK	875	643
Overseas 314	234	
Properties UK	342	329
Overseas 36	31	
Net current assets	47	42
Other assets held for:		
Unit-linked business	1,108	820
Other overseas business	302	224
	3,571	2,891

Act says the DTI can intervene—and even withdraw the insurance company's authorisation—if its new controller appears likely to fail to fulfil "the reasonable expectations of policyholders."

Yet in spite of these restrictions, which actually date only from the early 1970s, the

spectre of Jim Slater has continued to haunt the minds of some life assurance companies.

Not even Equity and Law was comparing Mr Brierley yesterday to Mr Slater. By law, he will have to have DTI approval—which might take three months to obtain—as "a fit and proper person" to run Equity and Law, once his shareholding tops 33.3 per cent.

Mr Brierley is well established in the insurance business in New Zealand, however, and could use that as evidence of his reputation.

What has happened now is that the fear of predators trying to "asset-strip" a life company has become mixed up with another fear—the worry that British insurers are vulnerable to foreign bidders.

Ever since the Eagle Star battle, Mr Geoffrey Bowler, former chief general manager of Sun Alliance, the composite insurer, has been unsuccessfully seeking some measure of protection from the Government against takeovers from abroad.

In private, he cites the threat from Japan, whose highest general insurer, the Tokyo

Marine & Fire, has a market capitalisation inflated by Japan's rising stock market to a figure around six times that of the UK's Royal Insurance.

That was partly responsible for Mr Bowler's public intervention in May in the Sun Life/Transatlantic controversy. Then, he backed Sun Life's management against a demand for board representation from its biggest shareholder, Transatlantic, which is 48 per cent owned by Liberty Life of South Africa.

Not every insurer shares Mr Bowler's strong views, and most tend to feel that protection against foreign takeover is simply impractical. One difficulty is that British companies are still making overseas acquisitions themselves, such as Prudential Corporation's purchase in 1986 of Jackson National, a US life insurer.

After this summer's general election, however, a deputation from the Association of British Insurers visited Lord Young, the new Trade and Industry Secretary, to make sure the Government was aware of the issue.

## Brierley threatens shake-up with Equity &amp; Law bid

MR RON BRIERLEY believes that parts of the British insurance industry are due for a shake-up, writes Terry Povey.

Commenting yesterday on the reasons for Equity and Law bid, Mr Brierley said the company was "a mutually orientated operation, paying little attention to its shareholders."

Brierley Investments, New Zealand's second largest company with a market value of about £22m, began buying in to E & L 18 months ago at around 230p. Since then, it has paid about £90m for a 29.5 per cent stake—the

equivalent of 385p a share. The group had built up its holding, mainly by purchases from funds managed by Warburg, because it viewed E&L as a "pure life business without complications."

"It had the beauty of simplicity, good value with some speculative possibilities as well," Brierley said.

Brierley said the New Zealand group's interest in E&L centred on the "quantity of funds under management," the prospects of an improved return and E&L's speed of action.

Asked if the tough regulatory regime surrounding

life companies was a difficulty, Mr Brierley said the regulations were "insurance aspects but not obstacles to a considerably improved investment performance."

E&L's £34m of invested funds ought to be producing more than a 57m profit for shareholders, he added.

On the role of actuaries, usually seen as the real powers in the life assurance business, Mr Brierley said the growth of unit-linked policies and the age of computerisation meant that the role of actuaries today was much exaggerated. "I accept that

the rules do not yet reflect this," he added.

"The whole philosophy of this industry has to change. The chase after the savings pound involves all the investment alternatives, life policies included, in a common battle."

"What about policyholders?" "Our policyholders are in their best protection—E&L, even by conventional means, could do a lot better once the operation is streamlined. If this was an engineering company I might have to hire in outside people to tell me what to do—but I know what's needed in an invest-

ment business," Mr Brierley said.

He viewed the 385p cash offer as at the "top of any reasonable range" for E&L, but said the ultimate determinant of price was what someone was prepared to pay.

A Japanese insurer, for example, might pay a lot to get into the UK market just because it takes a very long-term view of the industry.

Brierley Investments' only significant investment in insurance is a 23 per cent stake in NZI Corporation, the leading Australian insurance and banking group.

## Vitrified nuclear wastes 'should travel in 1990'

By David Fishlock, Science Editor

TRANSPORT of vitrified, high-level radioactive nuclear wastes will probably begin about 1990, Mr Bert Curtis, managing director of Nuclear Transport, told the annual conference of the Uranium Institute in London yesterday.

Transport requirements were similar to those for spent nuclear fuel—except that the vitrified waste was non-fissile—and presented "no problems which have not already been solved," Mr Curtis said.

Vitrified wastes from plants at Sellafield in Cumbria and La Hague near Cherbourg would be transported in 100-tonne containers, which are similar to the flasks for spent nuclear fuel.

The British and French contracts for reprocessing overseas fuel have clauses requiring the country of origin to

take back the vitrified wastes for storage.

Mr Curtis said flasks for transport were being designed in Europe and Japan, with capacity for 21 waste containers each weighing 500 kg.

The nuclear transport industry was a small but vital part of the nuclear industry, Mr Curtis said. It employed about 700 people worldwide.

A typical 225-megawatt nuclear reactor produces 355 tonnes of low-level radioactive wastes, 802 tonnes of intermediate level waste packaged in concrete or bitumen, and 9 tonnes of high-level radioactive wastes a year.

Servicing such a reactor also required annually the transport of 105,000 tonnes of uranium ore, 52 tonnes of new fuel assemblies, the same amount of spent fuel, and 0.19 tonnes of plutonium.

## Southport plans shopping, hotel and leisure complex

By Ian Hamilton Fazey, Northern Correspondent

THE NORTH-WEST seaside town of Southport yesterday announced plans for an £80m shopping, hotel and leisure complex, with which retailers hope to combat threatened and growing competition from out-of-town shopping malls.

The scheme—which would recreate in modern style Southport's long-vanished Winter Gardens—totals 600,000 sq ft and would occupy a 10-acre site between the sea front and Lord Street, the town's conserved, elegantly canopied and arcaded Victorian-Edwardian shopping thoroughfare.

Completion is forecast for 1991, when 2,000 jobs would be created for large, greenfield construction, including 500 on construction.

Planning permission for the scheme, launched jointly yesterday by Sefton Borough, the local authority, and Sibec, a Manchester developer, appears

almost certain. However, Sibec disclosed that it had yet to put together a consortium to finance the project, although it had already assembled and bought nine-tenths of the land required.

Mr Mike Birchall, Sibec's chief executive, said the company would rely on short-term finance to begin work next May and then negotiate longer-term funding with banks and institutions.

Sibec has been involved in projects worth a total of £400m around Britain, the largest single one of which to date is worth £25m.

Sefton and Sibec are hoping that the scheme will not be called in for a Department of the Environment inquiry, which happens automatically with proposals for large greenfield retail malls. The retail element is 350,000 sq ft and they argue that the project is urban, not out of town.

## 'Big three' car makers lost ground in August

By John Griffiths

THE UK's "big three" car producers lost their market share in August's record new car sales boom, compared with a year ago.

Statistics from the Society of Motor Manufacturers and Traders show they lost ground primarily to Peugeot Talbot, which had its best sales month since 1978, and to Continental imports including Peugeot's sister company, Citroen and Fiat.

The Italian company's 16,590 sales, a 4.7 per cent market share, were its highest ever for a single month.

Peugeot Talbot's performance saw the imported Peugeot 205 reach eighth in the top 10 list of August best sellers. Fiat sold 64 more of the 309, the UK-built car would have taken 10th place from Rover group's Montego.

Citroen's August registrations were up 83 per cent on a year ago, helping the Peugeot group overall reach 3 per cent of the market for the first time.

With the 405 medium saloon due to go into production at Ryton this year, the French group's hopes of securing 10 per cent of the market is appearing increasingly justified.

As the table shows, Ford re-

maintained the clear market leader. The whole of the Vauxhall and Rover group of the "big three" saw both its share and unit sales decline in a month where total registrations went up 6.57 per cent on the previous August.

In spite of the success of the "traditional" imports such as Audi/Volkswagen and Fiat, the total share taken by imports fell by 4.18 percentage points.

The SMMT's figures show a drop of over 1 percentage point, to 10.28 per cent, in the August share taken by Japanese imports.

The 407,883 registrations last month, certain to be over 20 per cent of the year's total sales, are likely to focus fresh attention on a Government-organised working party examining whether the registration system should be revised to reduce the August sales bulge.

The "top 10" best-sellers in August were 1 Ford Escort 33,144, 2 Ford Fiesta 31,586, 3 Rover Group Metro 24,937, 4 Ford Sierra 24,441, 5 Vauxhall Astra 20,707, 6 Vauxhall Cavalier 17,721, 7 Ford Orion 12,164, 8 Peugeot 11,490, 9 Vauxhall Nova 9,719, 10 Rover Group Montego 8,979.

## Ridley approves plan for big M25 shopping centre

By William Cochrane

LONDON'S first big out-of-town shopping centre, which might be worth £150m to £200m on completion, gained political approval this week.

After the public inquiry in January this year, Mr Nicholas Ridley, Environment Secretary, granted outline planning consent for the Lakeside Shopping Centre adjacent to Junction 31 on the M25 at Dart Thurock, just north of the Twickenham belt land.

Construction at Lakeside, where there is already extensive retail warehouse development, is likely to start in the second half of 1988. The centre is expected to open for trading two years later.

Capital and Counties, known as a top-grade retail developer and Pearson, the landowner, will

develop the scheme as a joint venture. The centre will provide more than 1.15m sq ft of shopping, 8,000 parking spaces and leisure facilities on an 80-acre site.

The approval signifies little to the string of developers seeking permission for similar centres around the M25 orbital motorway, since the Twickenham site is not on protected green belt land.

Mr John Abel, a director of Capital and Counties, said: "In that respect, it is different to all the schemes I know about which are being promoted for the M25."

Successful environment secretaries have emphasised that this Government's priority is to protect green belt land.

## Labour left wing plans its own conference

By John Hunt

A CONFERENCE to draw up a revised programme of left-wing policies is to be held in Chesterfield, the constituency of Mr Tony Benn, three weeks after the Labour Party's annual conference in Brighton.

It will be seen as a counter-attack by the left against the policies being advocated by Mr Bryan Gould, Labour's campaign co-ordinator during the election, who has been urging the need for the party to occupy the centre ground of politics.

But yesterday Mr Benn said it would be a campaign for ideas and was not an attempt by the left to capture the internal machinery of the party.

"If we are going to have a policy review then it needs to have a strong Socialist input," he said.

The conference, which is expected to draw at least 500 people, has been called by the

left-wing Campaign Group of MPs, of which Mr Benn is chairman, the Socialist Economic Group, and the Socialist Society.

Trade unionists, including Mr Arthur Scargill, president of the National Union of Mineworkers, and representatives of constituency parties will attend.

Others from outside the Labour Party, including Mr Dafydd Iwan, the Welsh Nationalist MP, will be there. Both Mr Thomas and Mr Scargill are among the sponsors. Political figures from eastern Europe have also been invited. The decision to hold such a gathering after the official annual conference is likely to anger the Labour leadership.

But the organisers deny that it is intended as an alternative conference of the left.

They hope further similar meetings will be held in other regions.

Mr Jeremy Corbyn, Labour MP for Islington North and secretary of the Campaign Group, said the aim was to present the "real alternative of socialism rather than the retraction going on at the present time."

Writing in Campaign Group News issued yesterday, Mr Benn attacked the "defeatism" of those who believed that a working class was disappearing and socialism was in terminal decline. He criticised them for advocating some form of electoral alliance or coalition.

Such a strategy was highly unlikely to win a parliamentary majority, he said. Socialists must therefore urgently reach agreement on a serious alternative to the current right-wing consensus in British politics.

The conference will be held in Chesterfield on October 24

and 25. There will be a rally on October 24 addressed by Mr Scargill, Mr Ken Livingstone, former GLC leader who is MP for Brent East, and Ms Rebecca Johnson, of the Campaign for Nuclear Disarmament.

The full agenda for Labour's annual conference, to be held from September 28 to October 2, will be published tomorrow. But according to Labour Weekly, the party's newspaper, published yesterday, the debate on policy will centre round an amendment from Nupe, the public employees' union. It calls for a review designed to make Labour policies attractive, imaginative and responsive.

The paper also says that the National Executive will be proposing that party membership subscriptions for individuals be increased by about 6 per cent.



Tony Benn

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## UK NEWS-LABOUR

## Electricians' no-strike deal defies TUC pact

BY PHILIP BASSETT, LABOUR EDITOR

LEADERS of the EETPU electricians' union have signed a new strike-free, single-union deal in spite of the informal pact by the TUC General Council voluntarily to limit reaching such agreements while it is carrying out its planned review of union organisation.

The signing of the new deal with an electronics company in South Wales immediately puts under strain unions' willingness to modify their conduct while the TUC review, which is expected to be completed by the annual Congress in Blackpool, is under way.

News of the new deal is likely to add to sharp criticism of the electricians' deal which is expected to be voiced at the TUC next week.

South Wales officials of the EETPU signed the deal this week with Mechanical Industries (Wales), a newly established electronics components company based in Briton Ferry near Port

Talbot, which manufactures video recording heads and other parts for companies like Hitachi and Orion, with which the electricians also have strike-free, single-union agreements.

Local officials of the TGWU transport union competed with the EETPU to reach an agreement with the company, but the electricians believe their deal—which features the strike-substitute mechanism, pendulum arbitration—is unlikely to be referred by the TGWU to the TUC's inter-union disputes committee, since they claim the

TGWU had no members at the previously non-union company. The EETPU will also defend its deal because the agreement was put this week to a ballot of the company's 100-strong workforce. Of those taking part, 57 (85 per cent of those voting) agreed to accept the deal.

and 10 (15 per cent) voted against. The signing of the agreement is a clear indication that the EETPU intends to continue making its controversial strike-free deals where possible.

Mr Wyn Bevan, EETPU executive member for Wales, said of the TUC's informal agreement: "I am not involved in the machinations taking place nationally in the TUC. If an employer and employees after consultation and in a secret ballot, wish me to conclude agreements of this sort which bring more industry into South Wales, I will do so."

The company said it was "extremely pleased" with its deal with the electricians. Mr Andrew Goodwin, personnel manager, said: "We wanted to have a union presence, but we also wanted a sensible union arrangement—and all the signs were that the EETPU would be able to offer that."

## Scargill rejects discipline code change

By Philip Bassett and John Gapper

MR ARTHUR SCARGILL, president of the National Union of Mineworkers, yesterday rejected British Coal's amendment to its disciplinary code, increasing the likelihood that the union's executive will tomorrow back industrial action.

Mr Scargill said that the corporation's commitment to reinstating sacked miners if directed to do so by an industrial tribunal did not constitute a change, and the union's executive had to take a decision on action "very quickly."

He added that if British Coal had not conceded the NUM's principal points of objection to the code by the time of its national executive meeting in Blackpool tomorrow, he could see no alternative "to taking industrial action."

However, some Yorkshire NUM officials believe that national executive members from other areas will oppose any immediate action at the meeting, and they could be outvoted over their wish for a national overtime ban.

The NUM ballot result—a 77.5 per cent majority in favour of industrial action—has to be implemented by September 21 if it is to stay in force. It allows the NUM to institute industrial action short of a strike.

Mr Scargill said yesterday that he was "bitterly disappointed" by a letter from British Coal setting out the terms of its "clarifications" of the code, although the corporation appeared to have made one further concession in it.

According to Mr Scargill, the letter said a miner facing discipline could choose as a representative a colleague who had already been dismissed, although such proceedings would take place away from the British Coal premises.

He said that British Coal had accepted an Acaas suggestion that instead of conduct warnings remaining on a miner's record for three years, they would stay for six months if oral, or a year if written.

Mr John Northard, British Coal's operations director, said that instead of conduct warnings remaining on a miner's record for three years, they would stay for six months if oral, or a year if written.

## Move to set up equal rights department

THE TUC looks set to establish for the first time an equal rights department in a move designed immediately to defuse a possible row at next week's TUC Congress over a call to set up a women's department.

Leaders of the health service union CofE are asking the TUC to set up within Congress House, the TUC's headquarters, a separate department staffed by women and solely to deal with women's issues.

Mr Norman Willis, TUC general secretary, made clear to the TUC General Council in Blackpool that such a move might place the TUC in conflict with the equal opportunities provisions of employment law.

Instead, Mr Willis drew up a statement to be presented to next week's Congress proposing, without any conditions on staffing, the establishment of a properly resourced equal rights

department before next year's TUC women's conference in March.

Although some CofE officials had been adamant the union would not accept the notion of an equal rights, as opposed to a women's, department, the union supported the statement when the General Council backed it by 34 votes to 1, the proposer being Mr Arthur Scargill, president of the National Union of Mineworkers.

## Employers' pay move angers lecturers

BY DAVID BRINDLE, LABOUR CORRESPONDENT

A MOVE by the employers to break the deadlock in the long-running college lecturers' pay dispute has sparked a row both with the lecturers' union and among education authorities.

Mr John Pearson, the former Labour employers' leader, has accused the Labour-led negotiators of "a classic ploy used by Tory ministers [that is] contrary to the basic principles of good trade union and labour relations."

He refers to a decision by the employers' leaders to publish and send to lecturers, via education authorities, a phased pay offer worth an overall 8.3 per cent.

Natfhe, the lecturers' union, said yesterday that it was not consulted or informed about the move. Mr David Trieman, its negotiations officer, said: "Any attempt to go over the heads or around the backs of trade unions will inevitably deepen a dispute."

Mr Pearson, leader of Wakefield District Council, said: "I believe unilateral action such as this will only inflame an already volatile situation."

Lecturers want a rise to keep

abreast of schoolteachers and university dons. The offer, worth 7.1 per cent, is tied to changes in work practices so that colleges and polytechnics can offer more flexible training courses for industry.

Natfhe banned overtime in the past two terms and plans more disruption, possibly by trying to snarl up college administration as the academic year starts this autumn.

Mr Pearson is asking the main local authority associations to refer the dispute to Acaas, the conciliation service. "Under no circumstances" will he allow the employers' leaders to be circulated in Wakefield colleges.

The office of Mr Neil Fletcher, who succeeded Mr Pearson as employers' leader in the further and higher education sector, said it was extremely important that individual lecturers had access to full details of a "generous offer."

In a coup earlier this year Mr Fletcher also succeeded Mr Pearson as employers' leader in the primary and secondary schools sector.

## Training call by civil servants

BY OUR LABOUR STAFF

CIVIL service union leaders yesterday disclosed a "horrific" catalogue of violence against civil servants at work, including a CS gas attack against a benefit office, fire bombs, a rape and a murder in government establishments.

The Council of Civil Service Unions, representing 500,000 white-collar civil servants, called for urgent talks with the government on the problem, and demanded new training procedures be brought in.

The CCSU revealed the level of violence claimed against staff following a seminar on the issue by all its unions

which brought forward cases of violence in every government department apart from the Stationery Office.

A CCSU statement said: "At one extreme, civil servants have been murdered, raped, their offices fire bombed and wrecked. But it is an everyday occurrence that civil servants are abused and threatened, both at and away from work, simply because of the job they try to do on behalf of the government."

Though the CCSU did not want to disclose the names of individual civil servants involved, it listed a number of

prominent cases: an unemployment benefit office in the north in which a disgruntled claimant sprayed CS gas on the staff; a fire bomb in a Leeds benefit office; a tax collector attacked with a hammer while working in London's Hatton Garden jewellery area; a rape of a staff worker at a DHSS custody centre; a murder, some years ago, of a DHSS visiting officer.

Mr Charles Cochrane, CCSU assistant secretary, said the unions had been surprised the violence was not restricted to deprived inner city areas.

The conference discussed criteria for identifying companies in which no investments should be made and the legal position of trustees advocating such a course.

Unions representing employees of Rael Decca, a subsidiary of the Rael electronics group, are expected to propose an overtime ban to try to get the company to reverse its decision to have a two-year pension contributions "holiday."

## Pension fund may quit SA

BY DAVID BRINDLE, LABOUR CORRESPONDENT

PENSION FUND trustees in membership of the GMB general union met yesterday to plan co-ordinated pressure on their funds to end investment in South Africa.

About 60 of the GMB's 170 fund trustees attended the Manchester conference, described by the union as the first of its kind.

Mr John Edmonds, GMB general secretary, told the conference that research carried out for the union had shown that British companies

in expanding economic sectors were employing a disproportionate number of white workers in South Africa.

He said the unpublished research demonstrated that more whites than blacks had been employed between 1978 and 1983 by several leading finance and insurance companies and by at least one high-technology manufacturer.

Mr Edmonds said: "This blows apart the argument that black people will suffer most from sanctions and disinvest-

ment."

The conference discussed criteria for identifying companies in which no investments should be made and the legal position of trustees advocating such a course.

Unions representing employees of Rael Decca, a subsidiary of the Rael electronics group, are expected to propose an overtime ban to try to get the company to reverse its decision to have a two-year pension contributions "holiday."

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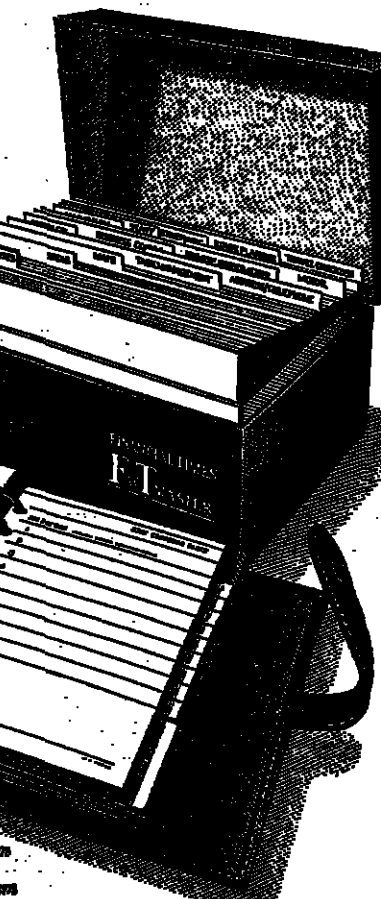
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Saturday September 5 1987

## A tale of two currencies

AT FIRST sight, the US and Britain are just two weak-currency countries confronting the same dilemma with the same policies. Both have cut their account deficits (although on a vastly different scale) and have some reason to fear domestic over-heating and consequent inflation; and both have raised domestic short-term interest rates, stating that the reasons were domestic.

The results, however, have been quite different. Since the rate rise, and especially since the Chancellor went out of his way to say that he was prepared to use the reserves to support the rate, the dollar, however, rallied for only a few minutes after the half-point rise in the official discount rate yesterday. Dealers quickly concluded that half a point, which simply brings the official rate back in line with the market-determined Federal Funds Rate, was not enough.

It was probably not meant to be enough. The new Fed chairman, Dr Alan Greenspan, has maintained a studied silence since he took over from Mr Paul Volcker a month ago, but just before his appointment he was more outspoken. At a business conference in the US he gave his view that the dollar might have to fall another 10 per cent or more before a solid improvement in the current account could be achieved. The market has been trying to discover for some time now how far his views have changed since he became the official inflation fighter of the US; no answer has yet emerged.

## Political demands

Dr Greenspan's private-sector views were based on his work as a respected economic forecaster; his official policies are now constrained by political demands. There are several reasons why the Administration may still welcome a decline in the dollar, provided that it can be attributed to the market. (British politicians, as older readers will remember, used to blame their troubles on the Gnomes of Zurich, who are no longer heard from.)

The first is of course that Dr Greenspan is not alone in thinking that a lower exchange rate will be needed in the end. Although there is now a satisfying rise in the physical volume of US exports, which are probably not being accelerated very much in the immediate future, the sheer scale of the improvement required in the US merchandise account is enormous.

Since the US will soon reach an overseas debt of some \$1,000bn, in place of a large net asset position in 1980, the long-term aim must be not only to offset the current merchandise

dise deficit, running at some \$150bn, but to achieve a surplus of almost the same scale.

This will involve more than doubling export volumes, unless imports are sharply reduced. It would be the biggest transformation that had ever been imposed on a large economy, and would require an absolute assurance of long-term cost competitiveness to motivate the effort and the investment required. Japanese history shows that it can be done (and indeed that the habit can be hard to break); but it requires a complete change of outlook in US industry, which has traditionally concentrated almost entirely on its enormous domestic market.

That is the long-term argument for further depreciation; but there are also pressing short-term arguments, which are only too familiar. Protectionist sentiment is still strong in Congress, although the US task would be nearer to the impossible in a protectionist world; and the US's trade partners are seen as dragging their feet on policy co-ordination.

## Capital losses

This argument, which goes back to the first dollar crisis of 1971, has never been resolved; both Japan and the US have been unable to persuade Americans to rely on US willingness to borrow to keep their own economies afloat. The issue was crisply put by Governor Heller of the Federal Reserve: "If we can't grow together, we'll shrink together." Failing any response to these demands, the Americans seem satisfied for the time being to let the central banks of their reluctant partners finance the US deficit through exchange market intervention — and probably to suffer large capital losses as a consequence.

A side-effect, oddly enough, is to provide more liquidity for the irrepressible world-wide bull market in financial assets. There has been a breathless in recent weeks; but given the background of crisis in the Gulf, not to mention the first Japanese casualty of reckless corporate speculation, this must be seen as a pretty robust performance.

What remains clear is that it is still the massive outflow of capital through current account imbalances, amplified by exchange market intervention, which determine both exchange rates and equity market levels, and which also finance the consumer spending that is keeping the world economy reasonably buoyant.

Devaluation usually means higher profits, while a tight exchange rate objective constrains them; but it also means exchange losses for external investors.

On the eve of the slickest ever TUC Congress, Philip Bassett finds that the razzamatazz is just one of the signs that British trade unions are going the way of their US counterparts

## In Brother Sam's footsteps

BACK IN the summer, the leaders of Britain's trade unions faced a ticklish choice. Charles Price III, the US ambassador in London, invited them to a reception at his elegant official residence in Regent's Park. But, on the very same night, they had also been called to sample the hospitality at the Soviet embassy in Hyde Park.

Formally, the Russians won. But, after downing the vodka, Mr Norman Willis, TUC general secretary, and other union leaders, slipped back to the US party to make sure that they mingled with the cousins as well as the comrades.

As trade union membership in the UK continues to decline, as the unions' strike of their national role and influence, as non-unionism surges, as de-unionisation starts (just about) to become a feasible option for employers, what looms large for unions in Britain is the example — both attractive and appalling — of trade unionism in the US. How far towards the American model are British unions heading?

Next week's 119th TUC congress in gaudy Blackpool will be its most Americanised yet. Last year's was a trial run: glossier, smoother than any previous Congress, the unions put on their best face for the coming general election. This year, with Labour's third successive defeat at its back, the mood is all for itself, its members, and the public.

For the first time in TUC history, commercialism will not just be allowed, but positively encouraged. Instead of dull, grubby conference documents, each delegate will receive a slick, designer-guide to the Congress, filled with and funded by commercial advertising by companies and institutions keen to hit the union market.

That approach will be evident, too, in the Congress, in which companies, charities and other bodies will take space, as they do at managers' conferences. Monday morning will see the premiere of a carefully scripted video promoting trade unionism, much on the lines of those now widely used by American unions. This method of getting the message across has been promoted by US union video specialists in a special presentation to the TUC leaders within the last 12 months.

All this comes against a background of recent advice from the TUC to unions on how to use advertising, opinion polls and video. Trade union promotion, hustling — is now the name of the game.

Unions in the US have been hustling for years. They have needed to: a new analysis in the *Industrial Relations Journal*, by Professor Ronald Miller of the University of Illinois, candidly lists the factors which have contributed to the decline of the American labour movement:

● Labour market: US employment projections show more women in work and fewer men;

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# IBC agreed £98m offer for Barham

## Macarthy pays £43m for Dr

For the 15 months to the end of December 1986, Drummond made profits before interest and tax of £3m. Its net assets were £9.1m at the end of the year.

## New Guernsey market with 400 stalls

New Guernsey's aim is for capital growth by investing in medium-sized listed companies which specialise in a particular industry or service sector. The plan is to invest 70 per cent of the assets in sterling securities, with the balance mainly in North American markets.

**MARKHEATH**, the property company in which Australia's Adelaide Steamship has a major stake, yesterday reported an increase of 1.34 per cent in its holding in the ordinary voting shares of *inks group* Coates Bros, taking the total to 15.6 per cent. In addition, Markheath holds 25.97 per cent of Coates' non-voting ordinary shares.

**CITY & Commercial Investment Trust:** Net asset value £16.58 (£12.58) per capital

The drop in borrowing came from a disposal of overseas subsidiaries, and Blue Circle will use the cash to provide working capital for property development and other UK operations.

**See Lex**

banks led by Barclays and National Westminster to cover the full \$1bn-plus purchase price. The rights issue proceeds, slightly delayed by the secrecy surrounding the deal, are committed to paying down this debt.

Hilton expects to raise £40m through the sale of about 10 provincial hotels which do not fit into the new structure. Mr Norman Jarvis, the Ladbrooke direc-



With out exception, Ladhroke is not interested in hotels which do not show capital gains as well as trading profits. This is one reason it has avoided North

## Photax re

## organisation

## begins

**Over 1m register for**

The Government has decided give preference to smaller

amount by which overseas locations are to be reduced in the event of strong over-subscription from private UK investors.

Highland Participants is offering 144 of its shares, which are currently traded under the

are price later this month. Rolls-Royce reminded shareholders yesterday that the second and final instalment of 5p per share must be paid by September 23.

that a foreign party, possibly Australian, could be involved. The Shohet family, with 19 per cent and two members on the board are not believed to be involved in the bid.

that a foreign party, possibly Australian, could be involved. The Shohet family, with 19 per cent and two members on the board are not believed to be involved in the bid.

	Current payment	Date of payment	Corres- ponding div	Total for year	Total last year
Leitner Bros., .....	2.5	—	3.5	4.5	2.5
Leitner Bros. Co., .....	5	—	3*	—	11.5*
Leitner Bros. Co., .....	Nil	—	0.25	Nil	0.25
Leitner Bros. Co., .....	2.65	—	2.65	—	5.11
Leitner Bros. Co., .....	1.75	Oct 9	1.75	1.75	1.75
Leitner Bros. Co., .....	1.75	—	1	—	10.5
Leitner Bros. Co., .....	1.6	Oct 28	—	—	—
Leitner Bros. Co., .....	1.6	Oct 23	—	—	2
Leitner Bros. Co., .....	3.35	Nov 3	3.05	—	9.2
Leitner Bros. Co., .....	14	Oct 26	12.5	21	18.5
Leitner Bros. Co., .....	4	Oct 23	4	—	12

dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Third market.



## APPOINTMENTS

## Hill Samuel Shipping restructured

Mr Michael Steele has been appointed chief executive of HILL SAMUEL SHIPPING HOLDINGS, a division of the Hill Samuel Group. He will succeed Mr Michael Toogood, the current chief executive, on his retirement in early 1988. The company has restructured its operation. Business will be divided between Europe and Asia. Captain John Dodsworth, who was chairman and chief executive of Escombe Lambert, has become managing director for operations in Europe and the Americas, while Mr Peter Cowling, a director of Waller & Co., has become managing director for Hong Kong and the Far East. Capt Dodsworth will be based at company headquarters in London, and Peter Cowling will be based in Hong Kong.

To reflect the co-ordinated geographic approach, a new name, Wescol International Marine Services (WESCOL), has been adopted. The new name has been built from the major subsidiary company names of Waller, Escombe, Cleaves and Lambert. WESCOL will be managed by a central executive committee comprising Mr Steele, Capt Dodsworth, Mr Cowling, Mr John Spry (director of marketing and planning), and Mr Clive Burton (director of

finance and personnel). None of the subsidiary companies will change its name.

TOD has appointed Mr M. Hinde and Mr C. A. Young as directors. Mr Hinde will be responsible for the Westbrick Plastics division, where he was formerly managing director of its Annac division. Mr Young joins as finance director from Stone International where he was group financial controller. Mr A. F. Baillie has resigned as a director of Tod, but remains within the group with specific responsibilities as managing director of Brenal, a division of Westbrick Plastics.

Mr Charles Latter, distribution manager, and Mr John Hartwright, general manager, have been appointed to the board of H. SAMUEL.

Following completion of a private subscription Mr P. J. de Savary, who is a director of Anglo Nordic Holdings, has taken its holding of 24,588,000 shares (75.23 per cent of the issued ordinary share capital) the following board appointments have been made. Mr Roger Rikse, a non-executive director and nominee of F. L. Smith & Co A/S Denmark becomes non-executive chairman, and Mr Brian Wainwright is made non-executive deputy chairman.

man but will remain a director. The board has appointed Mr de Savary as chairman. Mr T. C. Merdant has become an executive director and Mr D. K. MacMichael will be resigning. Mr Lesselles will become company secretary.

ALFRED WALKER has appointed Mr P. J. de Savary as deputy chairman.

GRAND METROPOLITAN has appointed Mr Paul S. Walsh as senior executive vice president, finance. He is elected a director of Inter-Continental Hotels Corporation, and will be located in New York. Mr Walsh was finance director of Watney Mann and Truman Breweries, Grand Metropolitan's UK brewing subsidiary.

ANGLO NORDIC HOLDINGS states that following the success of the recommended partial offer by F. L. Smith & Co (Holdings) which has taken its holding of Anglo Nordic ordinary shares to 24,588,000 shares (75.23 per cent of the issued ordinary share capital) the following board appointments have been made. Mr Roger Rikse, a non-executive director and nominee of F. L. Smith & Co A/S Denmark becomes non-executive chairman, and Mr Brian Wainwright is made non-executive deputy chairman.

of The Electrical Installation Equipment Manufacturers' Association (EIEEMA). Mr John S. Hurn, managing director, Duraplug Electricals, becomes deputy president.

THE BOWMER & KIRKLAND GROUP has promoted Mr Anthony Irons to be managing director of Lindley Plant and Johnsons (Chopwell).

GEORGE H. SCHOLES has appointed Mr R. V. Harrington as chairman following the retirement of Mr G. R. C. McDowell.

The REGENCY BUILDING SOCIETY has appointed Mr Douglas Baker as deputy chairman. He is a partner and chairman of Touche Ross, and senior executive director of Touche Ross International. He is also a member of the London board of the Bank of Scotland and a director of the London International Group.

ELECTROCOMPONENTS has appointed Mr Richard R. Butler as group company secretary. He replaces Mr Ron Glennie, who is retiring at the end of the year. Mr Butler was assistant company secretary of Bowthorpe Holdings.

CCF GROUP, a software house specialising in financial services, has appointed two non-executive directors: Mr Peter Harris joins from Letraset, where he held various posts including worldwide responsibility for marketing and managing director of the retail division in the Far East, and Mr Stuart Neame, a director of Kent brewers, Shephard Neame. Mr Nicholas Medd has been appointed general manager of the CCF distributed systems division.

EUROFATINGS has appointed Mr David Ruskota as director-marketing. He was with Export Credit Clearing House.

Mr Daniel Romer-Lee has been appointed a director of SMITH & WILLIAMSON SECURITIES, with responsibility for banking activities.

Mr David Hopkins, managing director, Dornier Smith Switchgear has been elected president

## ECONOMIC DIARY

MONDAY: Department of Trade and Industry publishes figures for credit business in July; and final figures for July retail sales.

TUESDAY: Deputy foreign ministers from the Group of Ten start two-day meeting in Paris to prepare for the annual meetings of the International Monetary Fund and the World Bank at the end of the month.

WEDNESDAY: Mr Nigel Lawson, Chancellor of the Exchequer, speaks at Institute of Directors conference on wider share ownership. British Telecom first quar-

ter results, and annual meeting, NEC, Birmingham.

THURSDAY: Department of Trade and Industry publish August provisional figures of vehicle production. CBI/FT survey of distributive trades for August. Financial Times two-day conference on the world motor industry opens in Frankfurt. Institute of Directors conference on expansion through franchising. Rolls-Royce interim results.

FRIDAY: Department of the Environment publishes second quarter provisional figures of construction output. BISPA August figures for usable steel production. August tax and price index from the Central Statistical Office. Department of Employment publishes retail prices index for August. Rolls-Royce interim results.

## FT-ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS		Friday September 4 1987					Thurs Sept 3					Wed Sept 2					Tues Sept 1					Year ago (approx.)					Highs and Lows Index					
		Index No.	Day's Change %	Est. Change (p.p.)	Group Div. Yield %	Est. P/E Ratio (Nat'l)	Index No.	Day's Change %	Est. Change (p.p.)	Group Div. Yield %	Est. P/E Ratio	Index No.	Day's Change %	Est. Change (p.p.)	Group Div. Yield %	Est. P/E Ratio	Index No.	Day's Change %	Est. Change (p.p.)	Group Div. Yield %	Est. P/E Ratio	Index No.	Day's Change %	Est. Change (p.p.)	Group Div. Yield %	Est. P/E Ratio	1987 High	1987 Low	1987 High	1987 Low	Since Completion	
Figures in parentheses show number of stocks per section																																
1	CAPITAL GOODS (211)	962.26	+0.3	7.14	2.85	17.62	962.26	+0.3	7.14	2.85	17.62	962.26	+0.3	7.14	2.85	17.62	962.26	+0.3	7.14	2.85	17.62	962.26	+0.3	7.14	2.85	17.62	1038.07	1038.07	1038.07	1038.07	1038.07	
2	Building Materials (30)	1288.77	+0.4	7.38	2.85	16.87	1288.77	+0.4	7.38	2.85	16.87	1288.77	+0.4	7.38	2.85	16.87	1288.77	+0.4	7.38	2.85	16.87	1288.77	+0.4	7.38	2.85	16.87	1381.06	1381.06	1381.06	1381.06	1381.06	
3	Contracting, Construction (33)	1727.12	+0.9	6.99	2.80	19.14	1727.12	+0.9	6.99	2.80	19.14	1727.12	+0.9	6.99	2.80	19.14	1727.12	+0.9	6.99	2.80	19.14	1727.12	+0.9	6.99	2.80	19.14	1951.58	1951.58	1951.58	1951.58	1951.58	
4	Electricals (12)	2480.43	+0.1	4.86	2.74	28.54	2480.43	+0.1	4.86	2.74	28.54	2480.43	+0.1	4.86	2.74	28.54	2480.43	+0.1	4.86	2.74	28.54	2480.43	+0.1	4.86	2.74	28.54	2733.45	2733.45	2733.45	2733.45	2733.45	
5	Electronics (35)	2802.45	+0.5	7.92	2.43	16.45	2802.45	+0.5	7.92	2.43	16.45	2802.45	+0.5	7.92	2.43	16.45	2802.45	+0.5	7.92	2.43	16.45	2802.45	+0.5	7.92	2.43	16.45	3153.77	3153.77	3153.77	3153.77	3153.77	
6	Mechanical Engineering (39)	319.93	-0.2	7.75	3.25	16.25	319.93	-0.2	7.75	3.25	16.25	319.93	-0.2	7.75	3.25	16.25	319.93	-0.2	7.75	3.25	16.25	319.93	-0.2	7.75	3.25	16.25	542.20	542.20	542.20	542.20	542.20	
7	Metals and Metal Forming (7)	572.52	+0.4	6.73	2.81	17.94	572.52	+0.4	6.73	2.81	17.94	572.52	+0.4	6.73	2.81	17.94	572.52	+0.4	6.73	2.81	17.94	572.52	+0.4	6.73	2.81	17.94	591.16	591.16	591.16	591.16	591.16	
8	Motors (14)	384.75	-0.2	7.59	2.86	15.42	384.75	-0.2	7.59	2.86	15.42	384.75	-0.2	7.59	2.86	15.42	384.75	-0.2	7.59	2.86	15.42	384.75	-0.2	7.59	2.86	15.42	406.20	406.20	406.20	406.20	406.20	
9	Other Industrial Materials (21)	1664.57	+0.7	5.72	2.98	21.06	1664.57	+0.7	5.72	2.98	21.06	1664.57	+0.7	5.72	2.98	21.06	1664.57	+0.7	5.72	2.98	21.06	1664.57	+0.7	5.72	2.98	21.06	1772.49	1772.49	1772.49	1772.49	1772.49	
10	Other Industrial Materials (21)	1664.57	+0.7	5.72	2.98	21.06	1664.57	+0.7	5.72	2.98	21.06	1664.57	+0.7	5.72	2.98	21.06	1664.57	+0.7	5.72	2.98	21.06	1664.57	+0.7	5.72	2.98	21.06	1772.49	1772.49	1772.49	1772.49	1772.49	
11	SHIPBUILDING (22)	1321.41	+0.6	6.10	2.61	20.93	1321.41	+0.6	6.10	2.61	20.93	1321.41	+0.6	6.10	2.61	20.93	1321.41	+0.6	6.10	2.61	20.93	1321.41	+0.6	6.10	2.61	20.93	1408.32	1408.32	1408.32	1408.32	1408.32	
12	SHIPBUILDING (22)	1321.41	+0.6	6.10	2.61	20.93	1321.41	+0.6	6.10	2.61	20.93	1321.41	+0.6	6.10	2.61	20.93	1321.41	+0.6	6.10	2.61	20.93	1321.41	+0.6	6.10	2.61	20.93	1408.32	1408.32	1408.32	1408.32	1408.32	
13	FOOD MANUFACTURING (24)	1014.29	+0.4	6.98	3.03	18.54	1014.29	+0.4	6.98	3.03	18.54	1014.29	+0.4	6.98	3.03	18.54	1014.29	+0.4	6.98	3.03	18.54	1014.29	+0.4	6.98	3.03	18.54	1092.26	1092.26	1092.26	1092.26	1092.26	
14	FOOD MANUFACTURING (24)	1014.29	+0.4	6.98	3.03	18.54	1014.29	+0.4	6.98	3.03	18.54	1014.29	+0.4	6.98	3.03	18.54	1014.29	+0.4	6.98	3.03	18.54	1014.29	+0.4	6.98	3.03	18.54	1092.26	1092.26	1092.26	1092.26	1092.26	
15	Food Retailing (16)	2438.32	+1.3	5.92	2.38	22.48	2438.32	+1.3	5.92	2.38	22.48	2438.32	+1.3	5.92	2.38	22.48	2438.32	+1.3	5.92	2.38	22.48	2438.32	+1.3	5.92	2.38	22.48	2649.96	2649.96	2649.96	2649.96	2649.96	
16	Leisure (31)	1282.36	+0.6	5.97	3.19	20.90	1282.36	+0.6	5.97	3.19	20.90	1282.36	+0.6	5.97	3.19	20.90	1282.36	+0.6	5.97	3.19	20.90	1282.36	+0.6	5.97	3.19	20.90	1408.32	1408.32	1408.32	1408.32	1408.32	
17	Packaging & Paper (15)	1682.72	+0.1	5.97	2.99	22.18	1682.72	+0.1	5.97	2.99	22.18	1682.72	+0.1	5.97	2.99	22.18	1682.72	+0.1	5.97	2.99	22.18	1682.72	+0.1	5.97	2.99	22.18	1794.48	1794.48	1794.48	1794.48	1794.48	
18	Publishing & Printing (13)	474.56	+0.6	4.36	2.99	29.39	474.56	+0.6	4.36	2.99	29.39	474.56	+0.6	4.36	2.99	29.39	474.56	+0.6	4.36	2.99	29.39	474.56	+0.6	4.36	2.99	29.39	474.56	474.56	474.56	474.56	474.56	
19	Stores (16)	1072.18	+0.7	6.60	2.71	20.58	1072.18	+0.7	6.60	2.71	20.58	1072.18	+0.7	6.60	2.71	20.58	1072.18	+0.7	6.60	2.71	20.58	1072.18	+0.7	6.60	2.71	20.58	1168.58	1168.58	1168.58	1168.58	1168.58	
20	Textiles (16)	823.48	+0.5	7.52	2.72	15.43	823.48	+0.5	7.52	2.72	15.43	823.48	+0.5	7.52	2.72	15.43	823.48	+0.5	7.52	2.72	15.43	823.48	+0.5	7.52	2.72	15.43	876.07	876.07	876.07	876.07	876.07	
21	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
22	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
23	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
24	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
25	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
26	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
27	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
28	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
29	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
30	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
31	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
32	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
33	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
34	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
35	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
36	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1192.39	1192.39	1192.39	1192.39	1192.39	
37	OTHER (16)	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15.51	1135.64	+0.4	7.57	3.13	15						



10  
INTL. COMPANIES and FINANCE

## State to sue failed Alberta bankers for C\$1.5bn

BY DAVID OWEN IN TORONTO

THE CANADIAN Government and the Canada Deposit Insurance Corporation are to sue former directors and officers of two failed Alberta banks for a total of C\$1.5bn (US\$1.15bn), alleging that the true financial position of the banks was deliberately or negligently misrepresented over long periods.

The two institutions — Canadian Commercial Bank of Edmonton and the Calgary-based Northland Bank — collapsed in rapid succession in the second half of 1985, necessitating a C\$1bn federal government bailout of depositors.

A year-long inquiry into the dual failure, headed by a supreme court judge, concluded that bank management, directors, auditors and government

regulators all shared responsibility. The banks' combined assets at the time were estimated at C\$3.7bn.

In the larger of the two suits, against directors and officers of the CCB, the Government and CDIC are respectively seeking damages of C\$825.5m and C\$825.5m. The bank's financial position was allegedly misrepresented "from at least 1983 to the August 1985," according to the suit.

In the Northland Bank suit, total damages of C\$650.4m are being sought, with the alleged period of misrepresentation stretching from 1981 onward.

The actions follow last week's launch of a civil suit on behalf of CCB creditors by court-appointed liquidator Price Waterhouse, which seeks

damages of C\$294m from former officers, managers and directors of the bank. Mr Gerald McLaughlin, former CCB president, has said this suit will be defended, but there was no comment yesterday from former officers of the two banks on the latest suits.

They come in the wake of the demise of the Edmonton-based Principia Group, the last surviving major financial institution in western Canada which filed for bankruptcy last month after the June collapse of two subsidiaries.

The CDIC, which reported a C\$1.2bn deficit at the end of 1986, now faces a C\$120m payout to insured depositors of Principal Savings & Trust, the group's flagship unit.

## Jardine in Bermuda joint venture

By Roger Scotland in Bermuda

JARDINE MATHESON, Hong Kong's oldest trading group, is spending about \$10m to establish a physical presence in the British colony of Bermuda, which has been its legal domicile since 1984.

Mr Raymond Moore, a Jardine director, said the group has formed a joint venture company with Bermuda's own "hong," the Edmund Gibbons and trading company owned by one of Bermuda's wealthiest families and headed by former premier Sir David Gibbons.

Mr Moore said Jardine will hold a 48 per cent stake in the joint venture, Jardine Gibbons Properties, which has been formed to develop a five storey office and retail complex in the capital of Hamilton.

The building, due to be finished by the end of 1989, will house Jardine's four holding companies formed recently as a result of an internal reorganisation. The four, all domiciled in Bermuda and listed on the Hong Kong stock exchange, are Jardine Strategic Holdings, Jardine International Holdings and Jardine Oriental International.

Mr Moore, the Jardine group's tax lawyer, said he would be taking up permanent residence in Bermuda on February 1 next year. He said that the Bermuda office will be setting up will be responsible for the tax planning and management of all Jardine offshore corporations worldwide.

"In Bermuda alone there are about 20 companies under the four holding groups, plus many many more companies worldwide," he said. "What we will be doing is keeping abreast of what is happening around the world in terms of taxation and foreign exchange and making sure we don't get caught. For example, if we had not moved out of the Netherlands Antilles recently we would have been affected by tax changes there."

Mr Moore said that Jardine has paid about \$3m in stamp duties and fees to the Bermuda Government since it was incorporated on the island three years ago.

But he added: "I want to make it clear that the headquarters, management and control of the holding companies will remain in Hong Kong and will be unaffected by what is happening in Bermuda."

## WEEKLY PRICE CHANGES

	Latest price	Change	Year ago	High	Low
METALS					
Aluminium	110				
Free Market C.I.F.	110				
Free Market	110				
Copper-Cash Grade A	210.5				
3 months Grade A	210.5				
Gold per ounce	210.5				
Lead	210.5				
Nickel	210.5				
Free Market	210.5				
Platinum	210.5				
Quintaliver (7000)	210.5				
Silver per ounce	210.5				
3 months	210.5				
Tin	210.5				
Free Market	210.5				
Tungsten	210.5				
Wolfram (92.04 test)	210.5				
Zinc	210.5				
3 months	210.5				
Producers	210.5				
GRAINS					
Barley Futures Nov.	210.5				
Maize	210.5				
Wheat Futures Nov.	210.5				
SPICES					
Pepper white	210.5				
Pepper black	210.5				
OILS					
Coconut (Philippines)	210.5				
Soyabean (U.S.A.)	210.5				
SEEDS					
Cotton (Philippines)	210.5				
Soyabean (U.S.A.)	210.5				
OTHER COMMODITIES					
Cocoa Futures Dec.	210.5				
Coffee Futures Nov.	210.5				
Cotton Futures Nov.	210.5				
Wool (U.S.A.)	210.5				
Rubber (S.S.)	210.5				
Sugar (Brazil)	210.5				
Sugar (India)	210.5				
Wooltop 64e Super	210.5				

Unquoted. (a) Nov. (b) Sept/Oct. (c) Dec/Nov. (d) Oct.

## ALUMINIUM

	Unofficial + or -	High/Low
99.99% purity		
3 months		
Official closing (am): Cash 1,950.5		
(1,950.5), three months 1,950.5		
(1,950.5), settlement 1,950.5		
Final Karb close: 1,950.5		

## INDICES

REUTERS  
Sept. 4, 1987, 5.30 p.m. (GMT)

## DOW JONES

Sept. 4, 1987, 4.00 p.m. (GMT)

## SILVER

Silver was fixed 0.5p on ounce higher for the day, ending 198.75.

## COPPER

Copper was fixed 0.5p on ounce higher for the day, ending 198.75.

## LEAD

Lead was fixed 0.5p on ounce higher for the day, ending 198.75.

## NICKEL

Nickel was fixed 0.5p on ounce higher for the day, ending 198.75.

## ZINC

Zinc was fixed 0.5p on ounce higher for the day, ending 198.75.

## TIN

Tin was fixed 0.5p on ounce higher for the day, ending 198.75.

## LONDON METAL EXCHANGE

TRADED OPTIONS

Strike Price Call Put

Aluminium 99.99%

Aluminium 99.99%

Copper (Grade A)

Copper (Grade A)

Gold Bullion (fine ounce) Sept. 4

Gold Bullion (fine ounce) Sept. 4

Gold Bullion (fine ounce) Sept. 4

Gold Bullion (fine ounce) Sept. 4

Gold Bullion (fine ounce) Sept. 4

Gold Bullion (fine ounce) Sept. 4

Gold Bullion (fine ounce) Sept. 4

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Gold Bullion (fine ounce) Sept. 4

Gold Bullion (fine ounce) Sept. 4

Gold Bullion (fine ounce) Sept. 4

## US MARKETS

RUMOURS THAT A short-term ceasefire had been agreed in the Gulf War prompted a sharp rise in the price of oil and energy futures, reports Drexel Burnham Lambert.

The precious metals were under pressure throughout the day. Silver weakened further on trade selling towards the close following earlier local dominated trading. Copper firmed on trade and technical buying. Coffee fell on commission house selling and stops before trade and local buying prompted short-covering to steady the market. Cocoa fell on arbitrage selling before trade buying and speculative buying on the close firmed the market. Sugar fell on commission house selling in this trading. Cotton and orange juice were dominated by local activity, but trade scale-down buying was noted in cotton.

The grains were firm on professional buying, reflecting forecasts of rains over the next few weeks. Many soybean futures continued strong on firm cash prices. Cattle prices were again steady on firm dressed beef prices, good movement and cash prices eased. Hogs were about unchanged.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

Sept. 4, 1987, 4.00 p.m. (GMT)

Oct. 1987, 198.75

Nov. 1987, 198.75

Dec. 1987, 198.75

Jan. 1988, 198.75

Feb. 1988, 198.75

Mar. 1988, 198.75

Apr. 1988, 198.75

May 1988, 198.75

June 1988, 198.75

July 1988, 198.75

Aug. 1988, 198.75

Sept. 1988, 198.75

Oct. 1988, 198.75

Nov. 1988, 198.75

Dec. 1988, 198.75

Jan. 1989, 198.75

Feb. 1989, 198.75

Mar. 1989, 198.75

Apr. 1989, 198.75

May 1989, 198.75

June 1989, 198.75

July 1989, 198.75

Aug. 1989, 198.75

Sept. 1989, 198.75

Oct. 1989, 198.75

Nov. 1989, 198.75

Dec. 1989, 198.75

Jan. 1990, 198.75

Feb. 1990, 198.75

Mar. 1990, 198.75

Apr. 1990, 198.75

May 1990, 198.75

June 1990, 198.75

July 1990, 198.75

Aug. 1990, 198.75

Sept. 1990, 198.75

Oct. 1990, 198.75

Nov. 1990, 198.75

Dec. 1990, 198.75

Jan. 1991, 198.75

Feb. 1991, 198.75

Mar. 1991, 198.75

Apr. 1991, 198.75

May 1991, 198.75

June 1991, 198.75

July 1991, 198.75

Aug. 1991, 198.75

Sept. 1991, 198.75

Oct. 1991, 198.75

Nov. 1991, 198.75

Dec. 1991, 198.75

Jan. 1992, 198.75

Feb. 1992, 198.75

Mar. 1992, 198.75

Apr. 1992, 198.75

May 1992, 198.75

June 1992, 198.75

July 1992, 198.75

Aug. 1992, 198.75

Sept. 1992, 198.75

Oct. 1992, 198.75

Nov. 1992, 198.75

Dec. 1992, 198.75

Jan. 1993, 198.75

Feb. 1993, 198.75

Mar. 1993, 198.75

Apr. 1993, 198.75

May 1993, 198.75

June 1993, 198.75

July 1993, 198.75

Aug. 1993, 198.75

Sept. 1993, 198.75

Oct. 1993, 198.75

Nov. 1993, 198.75

Dec. 1993, 198.75

Jan. 1994, 198.75

Feb. 1994, 198.75

Mar. 1994, 198.75

Apr. 1994, 198.75

May 1994, 198.75

June 1994, 198.75

July 1994, 198.75

Aug. 1994, 198.75

Sept. 1994, 198.75

## HEATING OIL 42,000 US gallons, cents/US gallon

Sept. 4, 1987, 4.00 p.m. (GMT)

Oct. 1987, 52.25

Nov. 1987, 52.25

Dec. 1987, 52.25

Jan. 1988, 52.25

Feb. 1988, 52.25

Mar. 1988, 52.25

Apr. 1988, 52.25

May 1988, 52.25

June 1988, 52.25

July 1988, 52.25

Aug. 1988, 52.25

Sept. 1988, 52.25

Oct. 1988, 52.25

Nov. 1988, 52.25

Dec. 1988, 52.25

Jan. 1989, 52.25

Feb. 1989, 52.25

Mar. 1989, 52.25

Apr. 1989, 52.25

May 1989, 52.25

June 1989, 52.25

July 1989, 52.25

Aug. 1989, 52.25

Sept. 1989, 52.25

Oct. 1989, 52.25

Nov. 1989, 52.25

Dec. 1989, 52.25







# CURRENCIES & MONEY

## FOREIGN EXCHANGES

### Dollar shows little response

THE US DOLLAR showed a neutral reaction to a surprise half-point increase in the US discount rate and a similar rise in US banks' prime rates. Short covering ahead of the long US weekend virtually ensured that there would be no renewed attempt at pushing the dollar weaker. Traders were not in any mood to run short dollar positions over the weekend because of rising tension in the Gulf and the possibility of central bank intervention.

Taking a slightly longer term view, there was already a clear indication that the US trade deficit was unlikely to show any improvement this year and this tended to hang over the market, effectively excluding any positive reaction to the rise in interest rates.

News of an unchanged unemployment rate of 6 per cent created little response. The dollar closed at DM1.7950 compared with DM1.7935 on Thursday and ¥141.70 compared with ¥141.60. Elsewhere it finished at Sfr1.4070 from Sfr1.4035 on Thursday and at FFfr9.9375 from FFfr9.9025. On Bank of England figures, the dollar's exchange rate index finished at 100.3 from 100.2, unchanged. Sterling finished little changed on the day. Its exchange rate index closed at 73.0 compared with 73.1 at the opening and 73.1 on Thursday. Trading was quiet ahead of the weekend and the pound finished at £1.0540 from £1.0530 and DM2.9225, unchanged. The day's trading, against the yen it rose to ¥234.50 from ¥233.75. It was unchanged against the Swiss franc at Sfr2.46 and fell in terms of the French franc to FFfr9.9375 from FFfr9.9525.

D-MARK—Trading range against the dollar in 1987 is 1.5950 to 1.7690. August average 1.6573. Exchange rate index 147.2 against 147.6 six months ago.

News of a half-point rise in the US discount rate failed to provide any underlying support for the dollar in Frankfurt. It closed at DM 1.7940 down from DM 1.7950 on Thursday. Dollar sentiment remained extremely bearish and traders were more concerned about next week's US trade figures than anything else.

JAPANESE YEN—Trading range against the dollar in 1987 is 159.45 to 158.25. August average 147.57. Exchange rate index 233.7 against 230.6 six months ago.

Short covering ahead of the long weekend in New York pushed the dollar slightly firmer in Tokyo. There was little evidence of any intervention by the Bank of Japan. Most traders considered intervention at this point as being superfluous since position squaring was ensuring demand for the US unit and keeping it steady.

Concern about rising tension in the Gulf also played its part in deterring any temptation to carry short positions over the break.

The dollar closed at ¥141.70 against ¥140.95 in New York and ¥141.20 in Tokyo on Thursday. However, dollar sentiment remained bearish and traders were expecting next week's release to show another set of disappointing trade figures.

## £ IN NEW YORK

Sept. 4	Latest	Previous
1 month	1.0540-1.0550	1.0530-1.0540
3 months	1.0540-1.0550	1.0530-1.0540
12 months	1.0540-1.0550	1.0530-1.0540

## STERLING INDEX

Sept. 4	Latest	Previous
8.30 am	73.1	73.0
9.00 am	73.1	73.0
10.00 am	73.1	73.0
11.00 am	73.1	73.0
12.00 pm	73.1	73.0
1.00 pm	73.1	73.0
2.00 pm	73.1	73.0
3.00 pm	73.1	73.0
4.00 pm	73.1	73.0

## CURRENCY RATES

Sept. 4	Bank	Special	European
Sterling	1.0540	1.0540	1.0540
US Dollar	1.7950	1.7950	1.7950
Canadian Dollar	1.1250	1.1250	1.1250
Australian Dollar	1.6050	1.6050	1.6050
Deutsche Mark	2.3325	2.3325	2.3325
French Franc	9.9375	9.9375	9.9375
Italian Lira	1936.27	1936.27	1936.27
Japanese Yen	141.70	141.70	141.70
Swedish Krona	13.7625	13.7625	13.7625
Swiss Franc	2.4600	2.4600	2.4600
Yen	141.70	141.70	141.70

## CURRENCY MOVEMENTS

Sept. 4	Bank	Special	European
Sterling	1.0540	1.0540	1.0540
US Dollar	1.7950	1.7950	1.7950
Canadian Dollar	1.1250	1.1250	1.1250
Australian Dollar	1.6050	1.6050	1.6050
Deutsche Mark	2.3325	2.3325	2.3325
French Franc	9.9375	9.9375	9.9375
Italian Lira	1936.27	1936.27	1936.27
Japanese Yen	141.70	141.70	141.70
Swedish Krona	13.7625	13.7625	13.7625
Swiss Franc	2.4600	2.4600	2.4600
Yen	141.70	141.70	141.70

## OTHER CURRENCIES

September 4	£	\$
Argentina	2,280-2,300	2,280-2,300
Australia	1,605-1,625	1,605-1,625
Brazil	80,250-80,750	80,250-80,750
Canada	1,125-1,150	1,125-1,150
Denmark	136.10-136.30	136.10-136.30
France	9.9375-9.9525	9.9375-9.9525
Germany	2.3325-2.3375	2.3325-2.3375
Greece	160.00-160.50	160.00-160.50
Hong Kong	7.7900-7.8010	7.7900-7.8010
India	80.50-81.00	80.50-81.00
Indonesia	1,600-1,625	1,600-1,625
Italy	1,936.27-1,936.27	1,936.27-1,936.27
Japan	141.70-141.70	141.70-141.70
Malaysia	2,280-2,300	2,280-2,300
Netherlands	2.3325-2.3375	2.3325-2.3375
New Zealand	1.605-1,625	1,605-1,625
Philippines	80.250-80,750	80,250-80,750
Portugal	200.00-200.50	200.00-200.50
Spain	166.67-167.17	166.67-167.17
South Africa	1.605-1,625	1,605-1,625
South Korea	80.250-80,750	80,250-80,750
Sweden	13.7625-13.7625	13.7625-13.7625
Switzerland	2.4600-2.4600	2.4600-2.4600
Taiwan	80.250-80,750	80,250-80,750
Thailand	80.250-80,750	80,250-80,750
UK	1.0540-1.0550	1.0540-1.0550
USA	1.7950-1.7950	1.7950-1.7950

## MONEY MARKETS

### UK rates little changed

INTEREST RATES in London showed little reaction to a surprise half point rise in the US discount rate. There was no pressure on sterling after a similar rise in the dollar resumed its downward path. Consequently UK markets took the rise in their stride and three-month interbank money finished just one cent lower at 10.10 1/2 per cent compared with 10.10 1/4 per cent on Thursday.

Period rates were a shade easier as the market adjusted its longer term view about the UK economy and its effect on interest rates. Recent comments by Mr Nigel Lawson, UK Chancellor of the Exchequer, stressing the determination of the authorities to keep inflation in check together with encouraging signs from the latest CBI survey meant that last month's rise in clearing bank base rates was probably sufficient to counter disappointing money supply figures.

Weekend interbank money opened at 10.10 1/4 per cent and eased to a low of 9.9 per cent before coming back to 9.9 per cent. However, late balances were taken very cheaply down to 1 per cent.

The Bank of England forecast a shortage of around £200m with factors affecting the market including the repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills draining £10m and a rise in the note circulation of around £200m. These were partly offset by Exchequer transactions which added £75m and banks' balances brought forward £15m above target.

## POUND SPOT—FORWARD AGAINST THE POUND

Sept 4	Day's spread	Close	One month	Three months	% p.a.
US	1.6480-1.6575	1.6535-1.6545	0.39-0.36 cpm	2.72	1.18-1.13
Canada	2.1700-2.1800	2.1720-2.1730	0.22-0.13 cpm	0.97	0.62-0.50
Belgium	3.52-3.55	3.53-3.54	15-15 cpm	4.75	4.75
Denmark	6.12-6.17	6.17-6.18	22-15 cpm	3.60	28-47
France	11.42-11.47	11.45-11.46	11-11 cpm	4.39	9-10
Germany	1.11-1.12	1.11-1.12	0.07-0.01 cpm	0.24	0.24
Italy	2.06-2.07	2.06-2.07	15-15 cpm	6.06	4-4
Japan	233.23-235.13	233.23-235.13	69-123 cpm	4.92	233-242
Netherlands	2.06-2.07	2.06-2.07	15-15 cpm	6.06	4-4
Portugal	206.25-207.25	206.25-207.25	15-15 cpm	6.06	4-4
Spain	166.67-167.17	166.67-167.17	15-15 cpm	6.06	4-4
Sweden	13.76-13.77	13.76-13.77	15-15 cpm	6.06	4-4
Switzerland	2.46-2.47	2.46-2.47	15-15 cpm	6.06	4-4
UK	1.0540-1.0550	1.0540-1.0550	15-15 cpm	6.06	4-4
USA	1.7950-1.7950	1.7950-1.7950	15-15 cpm	6.06	4-4

## POUND SPOT—FORWARD AGAINST THE POUND

Sept 4	Day's spread	Close	One month	Three months	% p.a.
US	1.6480-1.6575	1.6535-1.6545	0.39-0.36 cpm	2.72	1.18-1.13
Canada	2.1700-2.1800	2.1720-2.1730	0.22-0.13 cpm	0.97	0.62-0.50
Belgium	3.52-3.55	3.53-3.54	15-15 cpm	4.75	4.75
Denmark	6.12-6.17	6.17-6.18	22-15 cpm	3.60	28-47
France	11.42-11.47	11.45-11.46	11-11 cpm	4.39	9-10
Germany	1.11-1.12	1.11-1.12	0.07-0.01 cpm	0.24	0.24
Italy	2.06-2.07	2.06-2.07	15-15 cpm	6.06	4-4
Japan	233.23-235.13	233.23-235.13	69-123 cpm	4.92	233-242
Netherlands	2.06-2.07	2.06-2.07	15-15 cpm	6.06	4-4
Portugal	206.25-207.25	206.25-207.25	15-15 cpm	6.06	4-4
Spain	166.67-167.17	166.67-167.17	15-15 cpm	6.06	4-4
Sweden	13.76-13.77	13.76-13.77	15-15 cpm	6.06	4-4
Switzerland	2.46-2.47	2.46-2.47	15-15 cpm	6.06	4-4
UK	1.0540-1.0550	1.0540-1.0550	15-15 cpm	6.06	4-4
USA	1.7950-1.7950	1.7950-1.7950	15-15 cpm	6.06	4-4

## EURO-CURRENCY INTEREST RATES

Sept. 4	Short term	7 days notice	One month	Three months	Six months	One year
Sterling	9 1/4-9 1/2	9 1/4-9 1/2	9 1/4-9 1/2	10 1/4-10 1/2	10 1/4-10 1/2	10 1/4-10 1/2
US Dollar	6 1/4-6 1/2	6 1/4-6 1/2	6 1/4-6 1/2	7 1/4-7 1/2	7 1/4-7 1/2	7 1/4-7 1/2
Canadian Dollar	6 1/4-6 1/2	6 1/4-6 1/2	6 1/4-6 1/2	7 1/4-7 1/2	7 1/4-7 1/2	7 1/4-7 1/2
Deutsche Mark	5 1/4-5 1/2	5 1/4-5 1/2	5 1/4-5 1/2	6 1/4-6 1/2	6 1/4-6 1/2	6 1/4-6 1/2
French Franc	5 1/4-5 1/2	5 1/4-5 1/2	5 1/4-5 1/2	6 1/4-6 1/2	6 1/4-6 1/2	6 1/4-6 1/2
Italian Lira	5 1/4-5 1/2	5 1/4-5 1/2	5 1/4-5 1/2	6 1/4-6 1/2	6 1/4-6 1/2	6 1/4-6 1/2
Japanese Yen	5 1/4-5 1/2	5 1/4-5 1/2	5 1/4-5 1/2	6 1/4-6 1/2	6 1/4-6 1/2	6 1/4-6 1/2
Swedish Krona	5 1/4-5 1/2	5 1/4-5 1/2	5 1/4-5 1/2	6 1/4-6 1/2	6 1/4-6 1/2	6 1/4-6 1/2
Swiss Franc	5 1/4-5 1/2	5 1/4-5 1/2	5 1/4-5 1/2	6 1/4-6 1/2	6 1/4-6 1/2	6 1/4-6 1/2
Yen	5 1/4-5 1/2	5 1/4-5 1/2	5 1/4-5 1/2	6 1/4-6 1/2	6 1/4-6 1/2	6 1/4-6 1/2

## EXCHANGE CROSS RATES

Sept. 4	E	S	DM	Yen	F.Fr.	S.Fr.	H.Fr.	Lira	C.S.	B.Fr.
E	1.0000	1.654	2.973	234.5	9.938	2.460	3.363	213.2	1.373	67.80
S	0.6045	1.0000	1.794	141.7	6.558	2.001	2.601	1.613	1.013	31.30
DM	0.336	0.555	1.000	69.13	0.828	1.124	7.241	0.731	0.203	20.79
Yen	0.420	0.705	1.248	1.000	0.438	0.445	14.257	0.274	0.283	26.75
F.Fr.	0.1006	0.164	0.290	0.150	1.000	2.475	3.364	213.2	1.373	67.80
S.Fr.	0.2475	0.405	0.889	0.390	0.408	1.000	1.438	0.918	0.918	18.47
H.Fr.	0.299	0.495	0.889	0.390	0.408	0.731	1.000	0.658	0.658	18.47
Lira	0.255	0.405	0.889	0.390	0.408	1.438	1.553	1.000	1.000	25.12
C.S.	0.460	0.761	1.368	1.017	0.474	1.132	1.539	0.918	1.000	25.12
B.Fr.	0.1618	0.261	0.460	0.374	0.1609	0.391	0.482	0.315	0.315	1.000

## FT LONDON INTERBANK FIXING

Sept 4	Overnight	One Month	Three Months	Six Months	One Year
Interbank	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4

## LONDON MONEY RATES

Sept. 4	Overnight	7 days notice	One month	Three months	Six months	One year
Interbank	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4
Local Authority	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4	10.10 1/4

# LONDON STOCK EXCHANGE

## International takeover moves feature markets

Account Dealing Dates  
Option  
First Dealings  
Last Dealings  
Account  
Sept 14  
Sept 15  
Sept 16  
Sept 17  
Sept 18  
Sept 19  
Sept 20  
Sept 21  
Sept 22  
Sept 23  
Sept 24  
Sept 25  
Sept 26  
Sept 27  
Sept 28  
Sept 29  
Sept 30  
Oct 1  
Oct 2  
Oct 3  
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**ET UNIT TRUST INFORMATION SERVICE**

## AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mgr. (a)

[illegible]

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2
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## BASE LENDING RATES

Bank	%	Bank	%	Bank	%
ABN Bank	10	Charnierbank Bank	10	Nat. Bk. of Kuwait	10
Adia & Company	10	Citibank N.A.	10	NatWestbank	10
Allied Arab Bank Ltd	10	City Merchants Bank	10	Northern Bank Ltd.	10
Allied Charotar & Co	10	Clydesdale Bank	10	Oversea-Ch. Trust	10
Allied Indian Bank	10	Com. B. of Cal.	10	PK Flaming, Natl (WFO)	10p2
American Exp. Bk.	10	Comptroller Trust Ltd.	10	Preventive Trust Ltd.	10
Auara Bank	10	Co-operative Bank	10p10	R. Bhopal & Sons	10
Barclays Bank	10	Cornwall Bank	10	Ranbansingh Grammer	10p2
Bank of America	10	Deccan Popular Bk.	10	Royal Bk. of Scotland	10
ANZ Banking Group	10	Dynas Ltd.	10	Royal Trust Bank	10
Assachan Cap Corp.	10	Equat'l Tr. Tst't'g p'nc	10	Smitth & Wilkes Sec.	10
Autority & Co Ltd.	10	Exter Trust Ltd.	10p2	Standard Chartered	10
Banco de Bilbao	10	First Nat. Fin. Sec.	10	TSB	10
Bank of Montreal	10	First Nat. Fin. Corp.	11	UST Margate Exp.	11p1
Bank of India	10	First Nat. Sec. Ltd.	11	United Bk. of India	10
Bank of China	10	Foreign Bk. of Cal.	10	United Mercantile Bank	10
Bank of Credit & Comm.	10	Robert Fleming & Co.	10	Waters Trust P.L.C.	10
Bank of Cyprus	10	Robert Fraser & P'trs.	11	Western Trust	10
Bank of Ireland	10	Girakank	10		
Bank of Japan	10	Grosvonts Bank	10		
Bank of India	10				

Bank of Scotland	10	• Colson Mahon	10	Westpac Bank Corp.	10
Banque Paribas	10	• HFC Trust & Savings	10	Widening Liquidity	10 1/2
Barclays Bank	10	• Hunter Bank	10	Yorkshire Bank	10
Bankers' Tr. Ltd.	10	• Yorkshire Bank Tr. Ltd.	10		
Bankfield Trust Ltd.	11	• HMI Samuel	5 1/2		
Bankers Bank AG	10	• C. Hoare & Co.	10		
Bell Tr. of Mid East	10	• Hongkong & Shanghai	10		
• Brown Shipley	10	• Lloyds Bank	10		
Business Mfg. Tr.	10	• Midland & Essex Ltd.	10		
CL Bankers' Ltd.	10	• Mutual Trust	10		
Chambers Press Limited	10	• Morgan Guaranty	10		
Citizens Ltd.	10	• Mercat Credit Corp. Ltd.	10		

• Members of the Acceptance House Committee. \* 7-47-77  
 Top Tier: £2,510-41 at 3 month  
 and/or £2,510-41 at call with  
 £100,000+ reserves  
 • Mortgage loan rate, 8 days  
 deposit 4.767% base rate, 10.5%

### TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	2,440	195	+1	Landsec	5,900	441	+2
Aslid's Lymington	2,600	419	+1	Landsec Securities	1,010	560	+4
Armstrong	795	176	+1	Legal & Gen.	2,200	335 1/2	+2
Asda's Bk. Foods	927	366	+10	Lloyds	663	303	-2

## TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system.

Yesterday's net change				Yesterday's net change			
Change	Volume	Closing price	Day's change	Change	Volume	Closing price	Day's change
ASDA-Stock	2,000	198	+6	Understock	5,900	441	+2
Allied Ind.	1,000	119	+1	Law Services	2,300	332	+1
Anstrud	176	116	+1	Legat & Gen	2,300	339	+1
Angry Group	929	427	+3	Lloyd Bank	800	343	+1
Assoc. Bk. Feeds	710	100	+1	Lumber	1,600	340	+1
BAT	2,600	662	+1	Luxes	2,200	275	+1
SEI	1,800	270	+6	MEPC	890	339	+4
Shawmut	496	486	+4	Shawmut	1,000	339	+4
SBC	1,300	538	+1	Midland Bank	7,600	500	+2
SBC Inds	1,100	393	+8	Natwest Bank	2,000	720	+5
USCC	1,000	300	+5	Natwest	1,600	340	+1
STR	2,100	448	+4	Pearson	1,100	783	+1
Sundays	3,000	550	+13	P & O	700	696	-1
Bank	436	954	+15	Pittsburgh Bros.	2,500	231	-1
Bankers	1,000	281	+1	Pratt & Whitney	5,400	190	+1
Bank Circle	2,600	482	-2	Pratt & Whitney	360	610	-1
Bankers	3,600	311	+4	Railway	2,300	306	+3
Bk. of Ala.	1,100	310	+4	Rock Corp.	1,600	161	+1
Bk. of Am.	658	502	-2	RHM	320	328	+1
Bk. of Comm.	162	488	+1	Reddick & Col	116	513 1/2	+1
Bank of Ind.	1,100	310	+1	Reid & Co.	210	512	+1
Bathol.	3,400	329	+3 1/2	Reid Ind.	2,300	524	+1
Bell	3,500	371	+1	Reyes	628	636	+1
Bell Telecom.	6,100	269	+1	Rice	2,100	612	+1
Benz	469	257	-1	RTZ	324	618	+1
Barton	3,100	276	+5	Royal-Royce	9,000	114	-2
Bank & Wire	1,000	279	+1	Routine	271	618	+1
Banking Svcs	4,900	276	+2	Roys Bank	952	363	-2
Cross Voyels	321	363	+1	Royal Insurance	1,100	545	+1
Bank of Ind.	1,000	279	+1	S&W	2,300	281	+1
Coms. Glob.	1,000	514 1/2	+1	Saatchi & Saatchi	333	621	-4
Cookson	444	823	-6	Salisbury	1,400	262	+8
Coms. Glob.	1,000	514 1/2	+1	Salisbury	1,700	270	+1
De Corp	646	253	+1	Sears	2,300	165	+1 1/2
Discom Group	5,100	363	+3	Schwepick	3,800	296	+1
English China Clays	725	337	+3 1/2	Smith & Nephew	169	304	+1
				Smith & Nephew	375	167 1/2	-1

8,900	213	+ $\frac{1}{2}$	Storehouse	2,800	37
1,200	£17	+ $\frac{1}{16}$	Sun Alliance	160	£

Gen. Effect	8,900	213		Starchesse	2,800	371	+2
Eleph.	1,507	137	+1	San Alliance	160	370	+2
Eleph. (Investment)	1,507	137	+1	Starchesse	2,800	371	+2
Granada	570	398	+7	Tarmac	1,400	298	+2
Granada (Investment)	570	398	+7	Tarmac	1,400	298	+2
GUSS	399	612	+4	Trifur EMI	5,000	188	+2
GUSS (Investment)	399	612	+4	Trifur EMI	5,000	188	+2
Guadiana P.E.	170	999	-72	Trifur EMI	5,000	188	+2
Guadiana P.E. (Investment)	170	999	-72	Trifur EMI	5,000	188	+2
Guadalupe	400	365	+5	Trifur EMI	5,000	188	+2
Guadalupe (Investment)	400	365	+5	Trifur EMI	5,000	188	+2
Hammerson	195	660	+7	Trifur EMI	5,000	188	+2
Hammerson (Investment)	195	660	+7	Trifur EMI	5,000	188	+2
Hanson Trust	238	187	-5	Trifur EMI	5,000	188	+2
Hanson Trust (Investment)	238	187	-5	Trifur EMI	5,000	188	+2
Hidradom Hides	3,400	225	+4	Trifur EMI	5,000	188	+2
Hidradom Hides (Investment)	3,400	225	+4	Trifur EMI	5,000	188	+2
ICI	1,200	545	+4	Trifur EMI	5,000	188	+2
ICI (Investment)	1,200	545	+4	Trifur EMI	5,000	188	+2

# FT-Actuaries World Indices

**Miss Lorraine Spong**  
**Financial Times, Publicity Department**  
**Bracken House, 10 Cannon Street**  
**London EC4P 4BY**

ET

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Japan Tot	140.8	150.0
Pacific Tot	251.7	268.1
Sum of Amer Tot	237.3	252.7

[illegible][illegible][illegible][illegible][illegible][illegible]



[illegible]



**FBI**

[illegible]







## LONDON SHARE SERVICE

## INDUSTRIALS—Continued

[illegible]

168	36	140	140	Medical Records	138	1.32	+	2
169	36	140	140	Medical Records	138	1.32	+	2
170	36	140	140	Medical Records	138	1.32	+	2
171	36	140	140	Medical Records	138	1.32	+	2
172	36	140	140	Medical Records	138	1.32	+	2
173	36	140	140	Medical Records	138	1.32	+	2
174	36	140	140	Medical Records	138	1.32	+	2
175	36	140	140	Medical Records	138	1.32	+	2
176	36	140	140	Medical Records	138	1.32	+	2
177	36	140	140	Medical Records	138	1.32	+	2
178	36	140	140	Medical Records	138	1.32	+	2
179	36	140	140	Medical Records	138	1.32	+	2
180	36	140	140	Medical Records	138	1.32	+	2
181	36	140	140	Medical Records	138	1.32	+	2
182	36	140	140	Medical Records	138	1.32	+	2
183	36	140	140	Medical Records	138	1.32	+	2
184	36	140	140	Medical Records	138	1.32	+	2
185	36	140	140	Medical Records	138	1.32	+	2
186	36	140	140	Medical Records	138	1.32	+	2
187	36	140	140	Medical Records	138	1.32	+	2
188	36	140	140	Medical Records	138	1.32	+	2
189	36	140	140	Medical Records	138	1.32	+	2
190	36	140	140	Medical Records	138	1.32	+	2
191	36	140	140	Medical Records	138	1.32	+	2
192	36	140	140	Medical Records	138	1.32	+	2
193	36	140	140	Medical Records	138	1.32	+	2
194	36	140	140	Medical Records	138	1.32	+	2
195	36	140	140	Medical Records	138	1.32	+	2
196	36	140	140	Medical Records	138	1.32	+	2
197	36	140	140	Medical Records	138	1.32	+	2
198	36	140	140	Medical Records	138	1.32	+	2
199	36	140	140	Medical Records	138	1.32	+	2
200	36	140	140	Medical Records	138	1.32	+	2

702	Dr. Williams	175	-----	-----	-----
490	Philly-Bowers Co. La.	55021	-----	053%	-----
13	Philly-Bowers Co. La.	188	-----	112%	7.2

[illegible]

100	Stag Furniture	155	5.5	0.7	4
176	Stainless Metalcraft	206	+1	4.9	3

[illegible]

294	Univ NV FTL2	5123	-31	076.6%	5.0	2
73	Uniflock 20p	305	-1	22	3.1	2

[illegible]

## INSURANCES

1989		1990		1991		1992		1993		1994		1995		1996		1997		1998		1999		2000		2001		2002		2003		2004		2005		2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024		2025		2026		2027		2028		2029		2030		2031		2032		2033		2034		2035		2036		2037		2038		2039		2040		2041		2042		2043		2044		2045		2046		2047		2048		2049		2050		2051		2052		2053		2054		2055		2056		2057		2058		2059		2060		2061		2062		2063		2064		2065		2066		2067		2068		2069		2070		2071		2072		2073		2074		2075		2076		2077		2078		2079		2080		2081		2082		2083		2084		2085		2086		2087		2088		2089		2090		2091		2092		2093		2094		2095		2096		2097		2098		2099		2100		2101		2102		2103		2104		2105		2106		2107		2108		2109		2110		2111		2112		2113		2114		2115		2116		2117		2118		2119		2120		2121		2122		2123		2124		2125		2126		2127		2128		2129		2130		2131		2132		2133		2134		2135		2136		2137		2138		2139		2140		2141		2142		2143		2144		2145		2146		2147		2148		2149		2150		2151		2152		2153		2154		2155		2156		2157		2158		2159		2160		2161		2162		2163		2164		2165		2166		2167		2168		2169		2170		2171		2172		2173		2174		2175		2176		2177		2178		2179		2180		2181		2182		2183		2184		2185		2186		2187		2188		2189		2190		2191		2192		2193		2194		2195		2196		2197		2198		2199		2200		2201		2202		2203		2204		2205		2206		2207		2208		2209		2210		2211		2212		2213		2214		2215		2216		2217		2218		2219		2220		2221		2222		2223		2224		2225		2226		2227		2228		2229		2230		2231		2232		2233		2234		2235		2236		2237		2238		2239		2240		2241		2242		2243		2244		2245		2246		2247		2248		2249		2250		2251		2252		2253		2254		2255		2256		2257		2258		2259		2260		2261		2262		2263		2264		2265		2266		2267		2268		2269		2270		2271		2272		2273		2274		2275		2276		2277		2278		2279		2280		2281		2282		2283		2284		2285		2286		2287		2288		2289		2290		2291		2292		2293		2294		2295		2296		2297		2298		2299		2300		2301		2302	
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**MINES—Continued**[illegible]

Parental Investment	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300
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prizes indicated, prices and net dividends are in pence and are 25p. Estimated prize/earnings ratios and covers are given for the first and second prizes and, where possible, are for half-yearly figures. PEs are calculated on "net" distributions, prizes per share being compared on profit after taxation and net of the effect of the 10% distribution. The difference is difference if calculated on "G" distributions. Covers are maximum distribution; this compares gross dividend costs to the value of the prizes. The difference is the difference in the cost of an offsettable A/C. Yields are based on midprice prices, adjusted to A/C of 27 pence and allow for value of declared prizes.

**Notes:**

1. Losses marked thus have been adjusted to allow for rights to call shares in excess of 10%.

2. If a share increased or resumed.

3. Since reduced, passed or deferred.

4. Is in non-voting or application.

5. Or report awaited.

**Financial UK listed; dealings permitted under Rule 535A(Ha).**

**Not listed UK; no foreign exchange and company not subject to the provisions of regulatory UK listed securities.**

**Not under Rule 535(G).**

**Not listed under different order pending suit and/or rights issue: cover**

Interim: reduced final and/or reduced earnings indicated.  
Dividend: cover on earnings not yet by latest interim  
allows for conversion of shares not now ranking for dividends  
only for use for redemptions of shares which may rank for dividend at  
the end. No P/E ratio usually provided.

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## TRADITIONAL OPTIONS

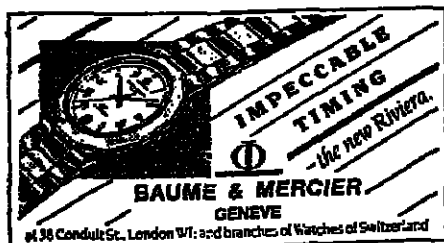
### 3-month call rates

	#		#
Ag...	19	NEI	13
	29	New West Bk	65
	62	& O Old	65
	50	Plowey	30
	17	Poly Peck	52
	34	Plunk Elect	35
	34	RIN	35
	32	Rank Op Ord	70
	52	Reed Iron	56
	50	STC	39
	20	Sears	14
	50	TI	37
	50	Teco	12
Agape	29	Thorn EMI	65
Am	25	Trust Horos	26
	25	Turner Howall	52
Ag...	50	Unilever	69
Am	45	Vickers	29

22	Property	30
22	Land	50
50	Land Securities	50
MEP		48
125	Pecuniary	40
95		
36	Oil	
	Brit Petroleum	32
59	Brital	30
59	Burned Oil	52
125	Gas-half	10
42	Premier	11
39	Shell	125
45	Trental	11
38	Ultramar	26
R	Mines	
22	Cash Gold	125
45	Landro	100
50	St Zing	

Selection of Original books is given on the London Stock Exchange's current Page.





# FINANCIAL TIMES

Saturday September 5 1987



## Guinness Peat rejects manager plan

BY TERRY POVEY

THE Guinness Peat Group yesterday abandoned a controversial multi-million pound plan to buy in a management buy-out.

The deal, under which £38m would have been paid to a team of eight bankers if they achieved certain profit targets, has been the subject of a war of words between GPG and Equiticorp, the New Zealand banking and investment group which has a 35.6 per cent holding in the UK company.

The GPG board's decision to go ahead with the plan, which was certainly provoked the New Zealand group into launching its 110p-a-share bid, valuing the

UK company at £338m, two weeks ago.

City reaction to the incentive scheme was universally critical — complicating GPG's defence tactics against the hostile bid.

GPG's announcement came in a terse four-line statement last night. "The board of GPG yesterday considered the impact of the proposed legal proceedings on the subject of the management proposals for Guinness Mahon. In the current circumstances, the board decided to terminate negotiations" with the eight-man team.

Alastair Morton, GPG's chairman, said the scheme had been "successfully distorted and misrepresented by Equiticorp" but that he wanted the arguments over the future control of the group to centre on value.

"GPG is worth a good deal more than 100p a share," he said.

An adviser to GPG said the management buy-in had been dropped because it was no longer possible to complete the deal before the contract cut-off date of October 31. GPG will be liable to pay the eight-man team a total of £1m in compensation.

The possibility of a meeting of shareholders to consider the scheme in late October was not pursued at it was considered likely to provoke further legal action from Equiticorp.

GPG has also become concerned that small parcels of its shares, adding up to perhaps 3 per cent, have passed to unknown or uncertain hands.

Mr Ron Brierley, the New Zealand entrepreneur has a 1 per cent holding, a firm of lawyers based in Hong Kong owns another parcel, as does Bank Leu in Switzerland.

Equiticorp said last night it was pleased that GPG's board "had seen sense," adding that it remained determined to pursue the bid.

"If it had not been for our opposition this extremely costly scheme would have been implemented, and we may still dispute the propriety of the £1m compensation payment."

August new car sales set record

By John Griffiths

NEW CAR registrations for the UK in August exceeded the 400,000 level for a single month for the first time as buyers sought the new E registration prefix.

The 407,333 registrations, which set a record for the second successive year, represented a rise of 8.57 per cent on the previous August, when the comparable figure was 382,215 new cars.

The traditional August sales surge, which was stronger than the industry had expected, lifted sales for the year's first eight months to 3,459,719 — up 4.81 per cent on the comparable period of 1986.

Only a totally unforeseen development would prevent the full year's sales setting a record for the third year in succession. Just over 1.88m cars were sold in 1986.

In spite of yesterday's industry euphoria, however, forecasts in some quarters that demand could climb to 2m sales remain unlikely to be realised.

Although the month was dominated by private buyers, many of whom favour European or Japanese cars, statistics from the Society of Motor Manufacturers and Traders show that the market share held by imports fell by more than 4 per cent, compared with August last year.

This was primarily the result of Ford and Vauxhall/Opel sourcing a significantly higher percentage of their sales from UK plants, and of the growing sales success of Peugeot Talbot's 309 model, which is built at Ryton, near Coventry.

The society's figures count as British the 4,466 Nissans registered last month, which had been assembled at Nissan's Sunderland, Tyne and Wear, plant. However, Nissan's sales in the UK are not included in the society's figures.

Mr Yamafuji said the anti-dumping inquiry had speeded up NEC's decision to manufacture in the UK. He added that NEC was confident of the quality and efficiency of UK manufacturing, including components.

NEC said it was too early to announce how many new jobs the mobile manufacturing venture would create or what percentage of components would be sourced locally.

Radio (JRC) and Kokusai Electronics, and Novatel Communications of Canada — were dumping mobile phones in Britain.

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## THE LEX COLUMN

### Fed up with the dollar

Perhaps Mr Alan Greenspan has been taking lessons in central banking from the UK.

A rise in interest rates in the face of a sliding currency is claimed to be a way of heading off domestic inflationary pressures. And it is timed the week before a set of trade figures which might now be expected to be worse than the market had earlier estimated.

Yet the half-point increase in the discount rate — Mr Greenspan's first visible action since taking the chair at the Federal Reserve — was a rather nervous start compared with the UK base-rate rise last month. The dollar's response was 'so what'?

And US bonds and shares are more concerned with the dollar's fall than with the interest rate effect on the economy.

Mr Greenspan may hope that his move will help persuade Japan and West Germany to concede something on their interest rates to help with the dollar problem. He is meeting their representatives this weekend in Basel.

Happily, sterling escaped the dollar whirlpool this week and the UK equity market, too, has been more resilient. Worse-than-expected trade figures were shrugged off, as was the sharp drop in official reserves. The inability to look beyond the worst set of statistics seems to have been overcome. People can talk cheerfully about fundamentals again. Maybe it is even the start of an autumn rally.

Ladbroke/Hilton

It's a small world and seems all the smaller when on any street corner you can buy a Coca-Cola or a McDonald's hamburger. Such global brands are offering a sense of security to lost travellers are also the aim of the corporate world and Ladbroke's desire to possess the Hilton hotel name — outside the US — was strong enough for it to risk ruining its share-price performance for months ahead and perhaps even opening itself to a bid.

Fortunately for Ladbroke — or possibly thanks to the effort put into explaining the deal to the City — yesterday's £254m rights issue left the shares up 2p at 441p, not down. The deal can certainly be made to look a reasonable one if at first sight the historical multiple terms look high: just switching Hilton to UK accounting standards will add a few million to profits, let alone the benefits of putting the chain into the hands of a hotel group, not an

airline; there should be scope to improve occupancy rates when Hilton is not just the home of American abroad; further, whacking up the price of Ladbroke's existing hotels simply by changing the name from Dragonara to Hilton demonstrates just why branding is so alluring.

So, in spite of a touch of caution, Ladbroke should still be showing a good rise in earnings next year and a multiple in the low teens. While brokers are generally agreed that the shares are cheap, unless fund managers do, too, Ladbroke may find itself attracting another sort of investor. After all, Ladbroke already has its peripheral activities on the market and its mainstream divisions are each eminently saleable with its hotel operation now the envy of the world.

Brierley/Equity & Law

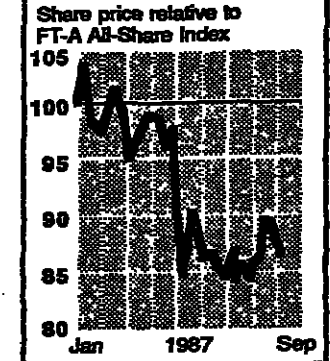
OCEAN Transport & Trading, Molins and, now Equity & Law. Mr Ron Brierley, one of the wealthier antipodean corporate raiders, loves taking potshots at the UK corporate establishment and the initial assessment of his hostile bid for Britain's 20th-biggest life-insurer is that it has about as much chance of succeeding as his other abortive bids.

The 386p offer was pitched at a measly premium to the market and yesterday's 37p jump in the share price to 407p indicates that he will have to dig deeper in his pocket if he really wants to own the group. He claims he can do a better job for policyholders and shareholders than Equity

Index rose 7.6 to 1782.1

Ladbroke

Share price relative to FT-A All-Share Index



Jan 1987 Sep

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## Bond launches \$1.2bn bid for US brewer

BY GORDON CRABE IN NEW YORK

MR ALAN BOND, the Australian brewing magnate, yesterday pulled the ring tab on the sealed business of US beer making by submitting a \$1.2bn (£700m) takeover offer for G. Heileman, the Wisconsin company which has swallowed numerous regional producers and is the fourth largest in the industry.

The \$38 a share cash bid from Bond Corporation Holdings, which has the Swan and Castlemaine XXXX brands, pushed Heileman's shares 57¢ higher on Wall Street by lunchtime yesterday to trade at \$41.1 — suggesting a market belief that others might join the surprise party.

Bond himself drew attention to the audacious nature of the move by pointing out that Heileman produced about 18.7m hectolitres of beer last year — roughly the total Australian intake of what Foster's, the

Bond group's main domestic competitor, likes to call "the amber nectar".

Elders Brewing, the Foster's, Courage and Carling Black Label producer which Mr John Elliott's Elders IXL is to launch on the London market next spring, was named immediately by analysts as a possible rival bidder.

Elders has no significant US beer operations and the national industry has seen little foreign incursion through acquisitions, although imports have been creeping up. In one of the few acquisitions, Bond recently bought Pittsburgh Brewing, a regional producer about 100th the size of Heileman.

Mr Bond has also been active elsewhere in the US. Last week, Dalbold, his Perth-based family company, agreed to pay \$500m to Fluor of California for control of St Joe Gold, a medium-sized mining group. In

Australia he has mining and property interests and a newly-acquired television network, Channel Nine.

Heileman, which was avoiding all comment on the bid yesterday, has grown by acquisition over the past 15 years. It started as low as 31st in the industry rankings. Mr Bond drew attention to the group's similarities in a letter to Mr Russell Cleary, Heileman's chairman.

"We're brewers, as you are," he wrote. "Bond Brewing is a leader in developing foreign markets. Together, Bond Brewing and Heileman would be the fourth largest brewer in the world, enabling it to exploit markets beyond either of our reaches." He promised to retain Heileman's management, while using the company to introduce Bond products into the US.

Heileman made net profits of

\$48.3m last year from sales of \$1.17bn, all but \$218.6m of it in beer. Its main other business is in baking and snacks.

Its share of the US beer market has declined over the past three years, however, from nearly 10 per cent to under 8½ per cent. The industry is dominated by Anheuser-Busch, brewer of Budweiser and, thought analysts to be too big for a predator to tackle. It and Miller, owned by Philip Morris, control more than 60 per cent of the market.

The closely held brewer ranks third. Sales by US brewers are expected to remain flat this year, in part reflecting the success of fashionable imported lines aimed at the youth market. Mr Bond himself well known because of his victory four years ago, is believed to be in the America's Cup yacht race he is looking at opportunities in that sector as well.

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Mr Yamafuji said the anti-dumping inquiry had speeded up NEC's decision to manufacture in the UK. He added that NEC was confident of the quality and efficiency of UK manufacturing, including components.

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## NEC to manufacture mobile phones in UK

BY DAVID THOMAS IN LONDON AND YOKO SHIBATA IN TOKYO

NEC is to become the first Japanese company to make cellular mobile telephones in Britain for the booming UK market.

The decision is partly in response to an inquiry launched by the European Commission in July into the alleged dumping of Japanese and Canadian mobile phones in Britain.

It follows a spate of recent announcements of other Japanese investments in Britain, Europe, initiated partly by efforts to avoid anti-dumping duties.

Panasonic, the other Japanese group with large UK sales of

mobile phones, is also studying the possibility of manufacturing the instruments in Europe.

NEC is to begin making 3,000 to 4,000 mobile phones a month at Telford, Shropshire, next summer. Only last week the company said it intended to make printers in the town.

It began producing video recorders there earlier this year. NEC is investing \$58m in manufacturing operations at Telford and up to 900 people could be on its payroll there by the early 1990s.

NEC is considered by observers to be one of the three mar-

ket leaders in mobile phones in the UK, along with Panasonic and Motorola of the US.

Mr Yoshi Yamafuji, assistant managing director of NEC's business systems (Europe), said his company had sold more than 50,000 mobile phones in the UK. The number of subscribers in Britain's two cellular networks, launched in 1985, is more than 200,000.

NEC's anti-dumping inquiry was initiated by Motorola, one of the few companies making mobile phones in Britain. Motorola alleged that Japanese suppliers — including NEC, Panasonic, Mitsubishi, Japan

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# WEEKEND FT

Saturday September 5 / Sunday September 6 1987

MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV

## Unnatural selection

**T**HE NEXT time Mrs Thatcher and her fellow European leaders want to hold an EC summit they might like to consider using Olivier Landoyer's laboratory.

His work-bench-cum-test-tube consists of 125 acres of rolling Picardy countryside about 40 miles north of Paris. If Europe's politicians and government officials don't object to a bit of mud and some fairly primitive telecommunications, it would be a very fitting place for the EC Euro-circus to pitch its tents.

Monsieur Landoyer's "laboratory" is a genetic research station where half a million different strains of hybrid wheat are being developed. A visit there would concentrate minds wonderfully on the number one problem of agricultural overproduction that will face both Europe and the world in the 1990s. For the revolution in biotechnology now looks set to change the Common Agricultural Policy from farce into tragedy.

Olivier Landoyer is the research manager of Hybrifect, a joint venture between chemicals giant Monsanto and one of France's leading plant breeders, the Co-operative de Pau. He is a burly, weather-beaten man who, portable computer in one hand, spade in the other, would seem to epitomise the new breed of biotechnologist bent on transforming the nature of agriculture.

Hybrifect's target is super-yield crops that will push farmers' cereals harvests up by some 20 per cent. Landoyer says that several hundred of his new wheat strains in fact already offer that sort of yield, and that the aim is now to refine them to resist particular diseases and climates. The real goal, he adds, is to use gene-splicing techniques to develop cereals that are resistant to particular herbicides. In this case, Monsanto's herbicides.

The new hybrid strains of tomorrow will be like a Ferrari compared to today's 2CVs," explained Landoyer.

He is understandably reluctant to put a date on the market launch of either Hybrifect's new high-yield wheats and barley or those of his competitors. "Perhaps within several years," perhaps not until the mid-Nineties.

The timescale might still be unclear, but what is evident is that the work going on with hybrid cereals is just one part of the accelerating biotechnology revolution. Elsewhere, the biotechnologists are creating such strange and unsettling novelties as hybrid animals and tissue culture plants that grow not in fields but in fermentation vessels.

FOR THOSE of us who have suffered through this year's dismal summer in northern Europe, and have been watching the combine harvesters with sodden crops, it can be hard to grasp that it is not that threatens farmers' most, not poor harvests.

In any case it goes against the grain, as one might say, to worry about the problems created by plenty. Yet if mankind's future is to be unleashed in the farm sector, something like two-thirds of Europe's 8m farmers would go to the wall. And that's before taking into account the extra pressures being engendered by biotechnology.

The scale of the phenomenon is best

### Developments in biotechnology are leading to a farming revolution, says Giles Merritt

Illustrated by a look at the advances being made in agricultural productivity. During the past year or so the biotechnology has begun to spin-off significant new developments in areas of agriculture that are far apart. These include:

● Gene-splicing breakthrough that could shortly revolutionise the economics of dairy farming. Within a matter of months, the first commercial sales will take place of bovine somatotropin (BST), a genetic growth hormone that offers increases in milk yields of 15-20 per cent without raising feed costs. It looks as if BST, versions of which have been developed by multinational corporations like American Cyanamid, Eli Lilly, Monsanto and Upjohn will go on sale first in Britain and Italy by early 1988.

● The first man-made animal to be capable of breeding. Scientists working for the US government's Department of Agriculture have recently bred from a pig that has the growth-hormone gene of a cow. The animal is grossly deformed, crippled by arthritis and expected to die prematurely before even

#### Duplication techniques

reaching the age of two. It is a boar with extremely short legs, cross-eyes and a strange wrinkly rust-coloured skin. Much more to the point, though, the new strain of pig is very fast growing and its meat is low in fat.

● Calves can now be "harvested" from cows at a greatly increased rhythm, thanks to embryo duplication techniques that enable a single cow to produce twin calves five times in a year. Work is also under way, backed by EEC funding, on altering animals' reproduction cycles. Other areas of development include embryo transfer and predetermination of sex.

● Genetic researchers have identified a chicken growth hormone that could drastically cut the time needed to rear broiler fowl.

● The idea of creating a "square tomato" that would stack easily in warehouses is a longstanding joke among biotechnologists, but the tomato is in fact undergoing intense development. The Pomato was the first hybrid plant to be created, when in 1978 researchers combined a tomato and a potato under laboratory conditions. Now a New Jersey company, DNA Plant Technology, has developed for Campbell Soup a new strain of tomato that is specially high in solids.

● Industrial tissue culture techniques may soon eliminate the need to grow whole plants in order to obtain com-

modities like dyes, flavours, fragrances and natural drugs and chemicals. Biotech specialists, notably the UK company Plant Science, are already producing items such as digitalis, opium, ginseng and pyrethrum by culturing root cells in a fermentation vessel.

● Even the extremes of the weather may yet be tamed by the biotechnologists. A Californian company, Advanced Genetic Sciences, is experimenting with genetically altered microbes that can inhibit strawberry plants from freezing.

● Tree cloning techniques are being developed that could tackle sub-Saharan Africa's desperate firewood shortage. Seeding trees will be grown from the cells of mature trees, but more work still needs to be done to improve cloning methods so they can be adapted to poor soils and inhospitable conditions.

This summer Professor Marc Van Montagu made it onto the front cover of Nature magazine, and so for a while became the pin-up of the worldwide scientific community. The breakthrough that won him that distinction marks a significant new stage in the bio-revolution.

He and a team of researchers at the University of Ghent in Belgium Flanders have gene-spliced plants to induce two remarkable properties. The first is that they are now genetically resistant to many insects. The second is that they are also resistant to a particular kind of herbicide called "Basta" that is manufactured by the West German chemical company Hoechst.

In other words, Van Montagu and his colleagues may have discovered the secret of turning the base metal of academic research into commercial gold. Their recently published work is being hailed as a milestone because it directly links an important agricultural advance with a specific commercial product. So far the insect resisting plants that have been produced are limited to cabbages, tobacco and tomatoes, but before long cotton and maize will be added to the list.

Van Montagu's company, Plant Genetic Systems — a US-style example of campus capitalism which employs most of his colleagues in the university's biotechnology department — is at present locked in an uneasy wrangle with Hoechst over terms.

The Ghent scientists are asking for up to a tenth of the profits from future sales of a package that will consist of compatible seeds and herbicide. Hoechst is demurring over the price, while Professor Van Montagu says the revenue is essential if Ghent is to hold its own as an international centre of excellence in biotechnology.

For the meantime, Van Montagu's team has the edge on researchers elsewhere who have been trying to twin a breakthrough in plant genetics with the application of a particular brand of herbicide or fertiliser. The bio-revolution is fast becoming a commercial battlefield on an epic scale.

Big chemicals companies like Monsanto and Sandoz have bet the farm on their strategies of switching emphasis away from industrial chemicals into biotech. Their sights are firmly set on an industry that is forecast to grow from its present turnover of around \$25bn a year to an annual \$100bn by the year 2000. Monsanto, for instance, is spend-



ing two-thirds of its \$500m-plus yearly R & D budget on "life sciences" and ICI has embarked on a biotech acquisitions spree designed to triple its present \$200m a year sales in the agricultural seeds business.

THE bio-revolution has generally been viewed by officialdom as a first cousin to the green revolution. It is thus seen as a benign further phase of the same phenomenon that in the last quarter century has helped Third World rice and wheat harvests to soar. Yet the signs are that it is, in a number of ways, radically and alarmingly different.

In the first place, experts anticipate that there will be fundamental, and probably unwelcome, developments in the way that investors will be treated. It will mean disruptive structural changes, warns Dr Mark Cantley who heads the EEC Commission's Concertation Unit for Biotechnology in Europe (CUBE).

Dr Cantley points to forecasts that suggest America's present 2.2m farmers

could, for instance, be halved in number by the turn of the century. "Something like 75 per cent of America's food may be produced by no more than 50,000 giant farms," he adds. Others inside the Brussels Commission fear very similar developments in Europe, with the added worry that national tensions could unravel the CAP.

#### Promise of survival

The green revolution was pioneered by plant breeders like Nobel prizewinner Norman Borlaug. Using conventional cross-breeding techniques he wrought miracles in India and China. Since the 1960s some Asian harvests have increased fourfold. But the green revolution did not greatly affect temperate agriculture. Genetic manipulation, on the other hand, will entail dramatic increases in European and American farm outputs, with potentially disastrous consequences.

Even without the advances in plant disease prevention that the biotechnologists are still striving for, the upcoming generation of gene-spliced hybrid wheats and barley promises to plunge the world's cereal farmers into an overproduction crisis of major proportions.

The EEC's surplus grain mountain is already due to double its present size and top 40m tonnes by 1991. Over the last 20 years cereals harvests have increased by an average 1 per cent annually. The implications of a sudden 15-20 per cent rise in Europe's harvests and those of America, Canada, Argentina and Australia are unsettling. At very least they suggest a farm trade war to dwarf the present international subsidies race.

The impact of BST on the dairy sector could be dramatic. A study by West German experts at Hohenheim University in Stuttgart reckons that BST will enable dairy farmers to cut milk production costs by about 10 per cent.

The farmers will be able to produce more milk from fewer cows. That will aggravate overproduction that now stands at 17 per cent and at the same time will reduce the dairy farmers' labour needs and their consumption of cattle feed. The Hohenheim analysts add that within five years about 30 per cent of Europe's cows will be treated with BST and the world market for the product is being put at over \$1bn.

In the short term, BST will enable Europe's many smallholders to hang on and resist the economic pressures that are driving them off the land. Four-fifths of European dairy farmers have fewer than 10 cows, and the arrival of BST promises their survival for a little while longer. For the 20 per cent of farmers who produce 80 per cent of Europe's milk it spells a financial bonanza.

But in the longer term, BST and all the other developments in biotechnology are going to place intolerable new strains on farm subsidy systems that are already groaning under the weight of the surpluses.

Meanwhile, the difficulties created by the Bio-Revolution will go far beyond the farmlands of Europe or the US. The coming increases in agricultural output may well have disastrous consequences for the Third World.

On the face of it the emergence of new super-foods should be a boon to the struggling peasant farmers of Africa, Asia and Latin America. In fact, the signs so far are that the bio-revolution could have a very negative effect on agriculture in developing countries.

The principal problem is that the Europeans and the Americans will be dumping their ever-larger surpluses onto world markets. This deluge of subsidised cut-price food will ensure that imports displace locally grown food, and will drive still more Third World farmers off the land.

All the evidence, therefore, seems to point to a situation where the bio-revolution will be creating as many problems as it solves, and perhaps more. So, was Jonathan Swift right or wrong? "Whoever could make two ears of corn or two blades of grass grow upon a spot of ground where only one grew before," runs that oft-quoted passage from Gulliver's Travels, "would deserve better of mankind, and do more essential service to his country than the whole race of politicians put together." Maybe.

### The Long View

## Spare a thought for shareholders

IT SEEMS there are more of them about these days. But they are not much more highly regarded, either by companies or by the Stock Exchange. Only the Government seems keen on encouraging them.

Shareholders are a necessary part of a capitalist system, but their largely passive nature gives them something of the status and popularity of the absentee landlord. The heroic shareholder is a theoretical possibility (my colleague Richard Lambert has put forward Warren Buffett in this space as a role model, but the species does not appear to flourish in Britain. Even in the United States, he is liable to turn into a corporate raider.

My old economics textbooks, to the extent that they considered the role of the shareholder at all, tended to confuse him with a proprietor, which legally, admittedly, he is: I was once rash enough to suggest in print that managers might sometimes have priorities (their own accumulation of wealth, perhaps) other than shareholders' interests.

"Preposterous, by definition," thundered a riposte from academia. Companies are managed to maximise the wealth of shareholders; so there. But I am unconvinced.

Shareholders come in different categories. Private shareholders can be anybody — you, me or, more likely, Auntie Flo who has outlasted the rest of the family and has accumulated the wealth. In the main, private shareholders are greedy, ill-informed, long-suffering and loyal. They respond eagerly to leadership but, unfortunately, they normally get it only from colourful and unscrupulous entrepreneurs.

For years, companies and the Stock Exchange conspired to kill off small investors gradually. They were a

**They're a necessary part of a capitalist system but their passive nature means that all too often they are accorded all the status and popular standing of an absentee landlord, says Barry Riley**



nuisance and cost a fortune to circulate. They have scarcely been regarded as proprietors; indeed, they are all too often regarded as the raw material of lists that can be sold off to direct mail advertisers.

Then, along came Margaret Thatcher, who perceived that there could be valuable political mileage in wider share ownership. Just as home owner-

ship turned council house tenants into Tory voters, so the spread of share ownership could transform them further into proper competitive capitalists.

These millions of new private shareholders have been lured by instant profits on privatisation issues. When the going gets tougher, many of them are likely to fall by the wayside. But the growth of wealth is

expanding steadily the potential ranks of serious shareholders, if only financial intermediaries can reach them.

The rise and rise of institutional shareholders was the mirror image of the post-war decline of the private investor. The institutions have had better marketing than the Stock Exchange and its brokers, and often had tax advantages, too. Like small investors, the institutions are also easily led, although primarily by aggressive companies on the takeover trail.

Fund managers have neither the resources nor the inclination to intervene in company management. Their passive stance, therefore, leaves a power vacuum which can be filled by acquisitive entrepreneurs and their fee-busy corporate finance advisers.

One consequence has been the rise and fall of a succession of large conglomerates dedicated to the creation of the stream of smoothly rising earnings per share which is the institutional fund manager's key objective. In doing so, they usurp much of the function of diversification which the institutions can claim legitimately as their important contribution.

Meanwhile, they and companies alike taking geographical decisions for them, as with the present spate of British companies' American acquisitions which are being financed willingly by the UK institutions.

This weakness arises because institutional shareholders have confined themselves to the narrow role of assessing relative share values according to their perceptions of company performance.

However, if this is a big step away from the proprietorial position, a further leap in the same direction is taken by index funds and other users of pro-

grammed techniques. The index fund manager is totally passive. If a company is floated he has to buy an appropriate weighting, simply to stay in line with the index, regardless of whether he thinks the shares represent good value or not.

If indexing becomes widespread, the ability of the stock market to value individual shares sensibly will be undermined. The reduction of the stock market to a kind of corporate treasurers' paradise in which investors would take up any amount of stock created for whatever reason.

Even now, there is enough "closet" or undeclared indexing for the Government to be able to exploit the phenomenon in big privatisation issues. Large, cheap allocations to private investors create an artificial shortage of stock in institutional hands, ensuring a premium in the aftermarket and a quick profit for the state.

Finally, there is the new character, the global investor, who can be seen primarily, perhaps, as the seeker of ultimate diversification.

Governments, especially in the Third World, tend to be suspicious of foreign shareholders, but companies in the more developed countries are increasingly inclined to cultivate them, perhaps because they promise to be particularly passive (and therefore reliable) and also because they could serve to further the global ambitions of managements.

Global operations matched by global shareholdings could be the way things will go. But there are no corresponding global legal structures, and where should the annual meetings be held?

I am very much afraid that in diversifying away from known risks, the global investor is taking on board others of which he is not yet aware.

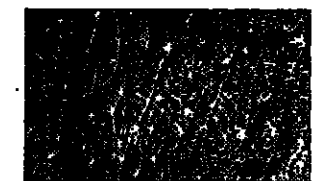
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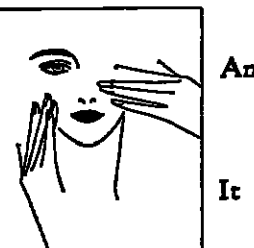
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**Harrods**



# Good news week

AFTER TWO months when the market—starved of results—has struggled with a stream of cash calls and fears that the economy is overheating, a whole host of major companies rolled out the good news this week.

Indeed, it was almost enough to make dealers forget the macro-headaches altogether; by Friday's close, the FT 100-Share Index had recovered to 2774.9, a gain of 25.3 points over the shortened Bank Holiday week, and now 88.5 points up from its August low after the unexpected base rate hike hit the screens.

Not quite enough, however. Tuesday brought a painful reminder of the ongoing economic problem with the publication of July trade figures. These showed a current account deficit of £310m, confirming both the deterioration in Britain's trade balance throughout the second quarter and the accelerating import trend.

Most analysts had suggested that any deficit beyond £300m would be considered disappointing, and the market's snap reaction was to cut bond and equity prices. But with little sign of institutional selling, it soon recovered its nerve—cheered largely by sterling's resilience against a crumbling dollar and the realisation that there were no additional grounds for further action on the interest rate front.

That was promptly confirmed by Chancellor Nigel Lawson on Wednesday, giving a heart to the gilt market and pushing the yield on high coupon bonds back under 10 per cent—a welcome reaction for any equity investor given that the yield gap has been standing at a five-year high. Shares, which caught a delayed cold from Wall Street's Tuesday plunge and

the subsequent shakedown in Tokyo, and the 100-Share lost all of Tuesday's gain.

But by Thursday and Friday, it was almost plain sailing. As the CBI indicated in its latest monthly trends survey, published at the start of the week, short-term prospects for British manufacturers seem to be buoyant—even if 1988 looks to be ominously tougher. The likes of BATs, Cadbury-Schweppes, Williams Holdings, Hillsdown, Blue Circle and Bunnell seemed out to prove that right. Only the prime rate

## London

risers in the States contrived to spoil London's recovery—halting, though not entirely obliterating, Friday's rise.

BAT Industries, which has spent so long battling against its mature, tobacco-dominated image, topped all expectations with a 26 per cent rise in half-time pre-tax profits (and a marginally higher improvement in eps growth) to £699m. The sharpest advance came from financial services—predominantly British insurance group, Eagle Star, a BAT's diversification back in 1984—where there was a 66 per cent advance in operating profit to £214m, on the back of a reduced underwriting loss and hefty investment gains.

Financial services now account for 28 per cent of the profits total and tobacco about half. The old core business did well enough—up from £318m to £381m—thanks to higher prices, lower marketing spend and increased exports, partially offsetting a sharp drop in the US domestic sales.

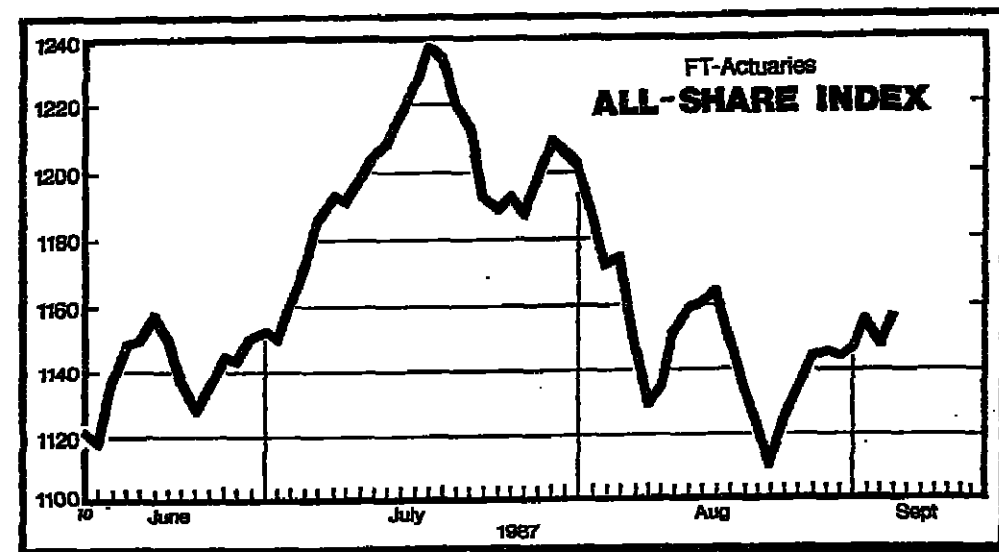
The company warns that the second half, when promotional spending picks up, may not look quite so good. Even so, analysts added £20m or so to their full-year forecasts, to give around £1.65bn, or a prospective p/e of about 10. With recent legal rulings in the States apparently lowering the litigation risk to tobacco companies, most reckon the rating is too low. But supporters have been saying that for years now—and the shares gained just 16p to 662p over the week.

The insurance sector "proper," meanwhile, had something of a hectic week. Continuing the stream of composite results, GRE reported a near-50 per cent advance to £32.2m pre-tax in the first half, while Sun Alliance doubled to £104m. But the big surprise was the £367m cash bid by New Zealand entrepreneur, Ron Brerley, for Equity and Law yesterday.

Brerley has been holding up a near-50 per cent holding in the life group for almost 18 months and there was instant speculation that he may be trying to flush out a rival bidder—possibly one of the deans. Equity and Law's response was an unequivocal "no," but the market clearly expects further action from somewhere—marking the shares 37p higher at 387p by midday, a 25p premium to Mr Brerley's terms.

Acquisitions made the reading of results from Williams and Hillsdown—two of Britain's more acquisitively-minded businesses—more complex. The former enjoyed the first full inclusion of its Diport and LMI purchases, and is also now minus some of its smaller and less successful interests. More-

over, it took £5.5m—largely the cost of its recent abortive Norcross bid—below the line, though flattened the comparable



1988 figures to the tune of £3m by treating the profit on the sale of its McKee's stake as an exceptional.

That said, the rise in pre-tax profits from £8.5m to £18.1m for the six months to end-June was impressive by anyone's standards, as was the leap in fully diluted earnings per share from 15.4p to 28.5p. With the benefits of Crown Paints and Polycell yet to come in, the bulls are suggesting up to £50m for the full year, or a prospective p/e with the shares up 47p over the week to 969p—of 16.

Hillsdown, though every bit as deal-hungry, at least spent out the organic growth—an impressive 38 per cent advance at the operating level. After a half-time pre-tax total of £41.6m (£19.6m), company watchers predict upward of £105m (£54.9) for the full year.

Hillsdown's share price, however, has been clouded by the overhang of a 15 per cent placing by co-founder, David Thompson—and, perhaps more pertinently, worries about the degree of his continued commitment towards the company. Despite gearing of 150 per cent,

Hillsdown says it has no plans for a cash call and sees ways of reducing this to double figures by the year-end—especially as the rationalisation of recent Canadian purchases, Maple Leaf Mills, works through. The market, though, still takes some convincing—marking the shares just 7p higher at 377p on the week, and suggesting a prospective p/e at 15.

On technical grounds, too, the market looked to be having an easier ride this week. The deluge of paper from cash-raising companies appeared to have subsided somewhat, with the £113m rights issue from book publisher William Collins to fund the purchase of a 50 per cent stake in US publisher Harper and Row, the main new call.

That was until yesterday, when Ladbroke confirmed that it is to buy the 91 Hilton hotels of US-based Allegis Corporation, funding the \$465m deal via another £254m rights issue—the last in the spring—and the rest through bank borrowings (to be partially repaid as it disposes of certain

existing, and less upmarket, properties). News that Ladbroke was interested in the prestigious chain seeped out a week ago, and the shares—despite some formidable results—have been a weak spot since. But yesterday, the market decided it liked the deal and the upward thrust, pushing the price just 2p higher at 441p.

But perhaps the most intriguing situation of the week was Newmont Mining, a US company, where Texan oilman, T. Boone Pickens, has indicated plans for a \$60m bid. Consolidated Gold Fields holds 26 per cent of Newmont's shares, bought for approximately one-third of Pickens's offer price. Whether ConsGold extends a friendly hand to Newmont—no doubt at some price—or takes Pickens's money (assuming it ever arrives), the market decided the UK group could scarcely lose. ConsGold shares added £1 to £14.40p—a bright spot in a generally brighter week.

Nikki Tait

## USM greets September with burst of activity

SEPTEMBER is traditionally a busy month in the City as the money men return refreshed from their holidays and eager to put together a few deals. Even so, this week has seen an extraordinary burst of activity on the Unlisted Securities Market.

A new company is set to join the market after the deal announced yesterday through which Highland Participants, now traded under the Stock Exchange's Rule 58(5), is buying the main market group A & F Appleford for £13.5m.

The man behind the bid is Peter de Savary, the veteran of many a British America's Cup effort, and the deal has a definite nautical tinge. Appleford's principal asset is a half-share in the port of Falmouth and Highland intends to buy out the other 50 per cent and develop Falmouth as a ship-repairing centre and as a bunker (refuelling station).

If the deal is approved, the new company will join the USM in two months via an introduction with a likely value of around £40m. De Savary bought into Highland, which has interests in oil exploration and production, in July and is injecting a further £5m into the group, which will leave him with 21 per cent of the enlarged equity.

Let us hope that Highland has a happier career on the USM than that of Fletcher Dennis Systems, a micro-computer systems dealer, so far launched in July 1986 on a p/e of 15, reflecting the previous year's profits of £403,000, it hoped to avoid the problems of other "box shifters" by trying to outpace via preferred purchasing agreements, by concentrating on IBM equipment and by emphasising customer services.

Unfortunately, the company had a large base of local authority customers who tradi-

## HIGHLIGHTS OF THE WEEK

FT Ord. Index	Price	Change	1987	1987	More relaxed over economic state
Appledore	410	+22.3	1,926.2	1,920.2	Takeover approach
BAT Inds.	682	+15	675	453	Interim results exceed expectations
Bunnell	257	-23	278	307	Interim results disappoint
Cheshire Whitefoods	271	+23	253	218	Agreed bid from Koninklijke Wessanen
Cons. Gold Fields	£14.7	+1.1	£15	688	Pickens bid for Newmont Mining
Dixons Group	363	+30	425	304	Brokers' buy recommendations
Equity & Law	387	+56	388	305	Hopes of counter to Brerley bid
European Home Products	350	+33	350	128	38m Spanish acq./doubled profits
Lee International	342	+79	343	152	Management buy-out following big acq.
Midland Bank	500	+45	524	421	Stake-building/bid rumours
Next	343	+21	360	225	Brokers' buy recommendations
Peat	408	+30	430	316	Takeover speculation
Personal Computer	280	+23	250	131	Preliminary profits up 64 per cent
Polly Peck	376	+37	378	134	Overseas traders recommend
Quick (H. & J.)	368	+53	371	125	Excellent interim figures
Regallan	271	+26	315	153	Thameside site sold for £74.4m
Storehouse	371	-16	401	268	Bid fails to materialise
Sun Alliance	£104	+1	£11	645	More than doubled interim profits
Williams Holdings	969	+47	970	570	Half-yearly figures

tionally placed their orders at the end of the financial year. And, last year, the orders failed to arrive.

The company signalled its problems in May when it announced that its annual figures were likely to show a pre-tax loss of £500,000. One of the founders, Dick Dennis, decided to leave.

Unfortunately, when the figures actually arrived they were even worse—the loss was

## Junior Markets

£900,000—and this week the group announced a capital reconstruction package.

Hillsdown Investment Trust, a new vehicle spun off from the fast-growing food-to-furniture group Hillsdown Holdings, is leading a consortium of investors taking a 61 per cent stake. In addition, the group is making a one-for-four rights issue with the total package worth £1.28m.

However, the shares, placed

at year at 70p each and trading at 76p only last week, are being offered to the consortium and in the rights issue at only 5p. And the other founder, Jim Fletcher, is leaving the group.

A more encouraging story for budding USM entrepreneurs is that of a new mini-conglomerate, Lionair, Ian and Philip Thompson, USM paper millions often are ephemeral since holders rarely can realise their stakes without causing a plunge in share price.

This week, though, the Thompsons were able to accept 280p a share for their stakes in the breakfast cereal company Cheshire Whitefoods as part of an agreed bid from the Dutch company Royal Wessanen. Cheshire's profits have grown strongly in recent years, reaching £778,000 in the year to March, and the group hopes that by becoming part of the Dutch group it will gain access to export markets.

Meanwhile, another recent USM success, Blenheim Exhibitions, which joined the market not long after Fletcher Dennis, announced a deal which it claimed made it the leading conferences and exhibitions

organiser in Europe. It is buying Online International, which specialises in organising exhibitions and conferences on hi-tech subjects, in an agreed bid worth up to £14m. Blenheim also said that it expects to make £1.42m in the year to August, up from £502,000 in the previous year.

Another USM company sharply-increased profits this week—Orchid Technology, the Californian software house, which had its problems joining the market.

The group originally planned to join the market in January but was forced to delay the launch because of a distinct lack of enthusiasm among institutional investors. The record of USM software companies has not been encouraging and institutions perhaps found it difficult to believe that one group would meet its forecast of an increase in pre-tax profits from £1.78m to £6.5m.

This week, however, the company announced that it had and the shares, placed at 106p in April, now stand at 151p.

Philip Coggan

## Cablec gives BICC a hoist

THE SHARES of BICC enjoyed a minor re-rating this week ahead of next Wednesday's interim, jumping 18p to 440p on Thursday alone. This was partly due to a delayed response to the \$96m acquisition of Cablec earlier in the week, which fulfils BICC's longstanding ambition to establish a cable-manufacturing facility in the US.

Analysts are, however, also increasingly confident that the half-year figures will not disappoint, as they have done several times in recent years. BICC's interim figures, which are a mini-conglomerate in microcosm. It should be the main force behind growth in BTR's interim figures, due out on Wednesday. Analysts' forecasts range from £25m to £30m, with the mid-point of City forecasts point to pre-tax of £25.5m.

Despite its failure to acquire Pilkington in January this year, BTR has not in the least abandoned the takeover trail—particularly in the Far East. Nylex—BTR's Australia-based subsidiary—has been busy snaffling up companies in New Zealand and the Americas, and is a mini-conglomerate in microcosm. It should be the main force behind growth in BTR's interim figures, due out on Wednesday. Analysts' forecasts range from £25m to £30m, with the mid-point of City forecasts point to pre-tax of £25.5m.

It is difficult to get excited about British Telecom's first-quarter results, due on Wednesday. The mid-point of City forecasts point to pre-tax of £550m.

With a bigger non-life insurance account than Britain's other life assurance and financial services groups, Prudential Corporation tends to report

a solid 10 per cent up on 1986. With its industrial action now behind it, no special factors of any size are expected to affect the more interesting event will be in Birmingham, where BTR's annual meeting is to be held the same day. It will be surprising if the board does not get a pasting for the company's recent dismal performance.

With a bigger non-life insurance account than Britain's other life assurance and financial services groups, Prudential Corporation tends to report

## Results due

more volatile earnings. Wednesday's interim should be bolstered, however, by its healthy new life business figures, published on July 17, which showed a 17.5 per cent jump in group annual premiums.

The Pru will also benefit from the first full six months' earnings from Jackson National, the US life company it bought last year, and should show more fruits of its acquisition of some 500 British estate agency firms. Analysts are mostly expecting a pre-tax figure from £50m to £100m, though Savory Mills, is going for £121m. Last year, the Pru made pre-tax profits of £64.7m at the half-way stage, though that figure may be restated this time around.

Company	Announcement date	Dividend (p)	Last year	Final	This year
OPCE Holdings	Thursday	0.5	1.3	0.4	—
Abbey Mead Visions	Thursday	1.4	2.0	1.5	—
Acorn Computer Group	Thursday	3.0	6.0	6.0	—
Admiral Computer Group	Thursday	1.0	8.0	5.0	—
Asset Trust	Monday	2.0	—	—	—
Associated British Ports Holdings	Thursday	2.0	4.0	—	—
Burns, Deane & Co	Friday	0.2	—	—	—
Charles Beysens	Wednesday	0.5	0.5	—	—
BICC	Wednesday	3.5	8.3	—	—
Blackwood Holdings	Thursday	0.5	0.5	—	—
Bodycote International	Thursday	1.5	2.3	—	—
Braxell, C. D.	Monday	1.2	3.1	—	—
British Telecommunications	Wednesday	3.3	5.1	—	—
British Vita	Wednesday	2.7	3.7	—	—
BTR	Thursday	3.5	4.7	—	—
Campani International	Thursday	0.5	2.5	—	—
Cookson Group	Thursday	2.5	6.0	—	—
Custodian Group	Thursday	3.5	5.5	—	—
Dalmeida Group	Monday	0.8	1.6	—	—
Delta Group	Friday	2.8	5.0	—	—
Energy Lighting	Thursday	3.2	2.2	—	—
Essex International	Tuesday	2.7	4.0	—	—
Friendly Hotels	Monday	0.5	1.0	—	—
Goat Petroleum	Tuesday	1.5	3.8	—	—
Harley	Thursday	1.7	2.5	—	—
Heston	Thursday	1.5	3.2	—	—
Invigorated Distillers	Monday	1.5	3.7	—	—
Johns	Monday	1.7	4.0	—	—
Unilever	Monday	1.0	2.0	—	—
Lopex Communications	Tuesday	1.8	2.4	—	—
Marley	Monday	1.2	2.5	—	—
Morrell	Monday	1.3	2.9	—	—
Moss Bros.	Wednesday	1.8	4.5	—	—
New Britain Oil	Wednesday	2.5	6.7	—	—
Nurdon and Peacock	Wednesday	1.5	2.3	—	—
P & E International	Thursday	1.2	2.0	—	—
Pacific Sales Organisation	Thursday	1.2	2.0	—	—
Provident Financial	Tuesday	7.0	4.0	—	—
Prudential Corporation	Wednesday	10.0	18.0	—	—
Roverhouse Mechanicals	Thursday	4.4	8.2	—	—
Royal Dutch Petroleum	Thursday	4.4	8.2	—	—
Savoy Hotel	Thursday	3.5	4.0	—	—
Systems Reliability	Friday	1.7	3.2	—	—
Technology Project Services	Thursday	0.8	1.0	—	—
Tozer Kamelaj & Millbrook Holdings	Tuesday	2.5	0.5	—	—
Turner and Newell	Wednesday	2.5	6.0	—	—
Wilkes, James	Wednesday	3.0	3.7	—	—
Wimpey, George	Wednesday	1.0	3.7	—	—

\* Dividends are shown net pence per share and are adjusted for any intervening scrip issues. † First dividend.

## COMPANY NEWS SUMMARY

### TAKE-OVER BIDS AND MERGERS

Company	Value of bid for	Market price	Price before bid	Value of bid	Notes
Appledore (A.A.P.)	428	408	232	15.11	Highland Parties
Balcoast Int'l	310*	353	225 1/4	434.87	FTI Electricals
Burns Group	368	251	212	78.08	Int'l Bus Comm
Ripley	841	85	70	18.80	CI Group
Buckley Brewery	185*	123	175	27.55	Brodies
Cheshire Whitefoods	280*	271	255	14.22	Wessanen
Country & New T	187*	150	150	39.42	Fennant
CRU Computers	32*	32	32 1/4	14.58	Scot
Workland Stamping	510*	635	443	28.50	Carlin King
Derwent Stamping	727	635	545	38.34	Carter Hunt
Equity & Law	363*	387	350	388.48	Brierley Int'l
Guinness Peat	110*	111	111	342.78	Equilicorp
Holden Hydromat	275*	280	215	10.50	SEA
Hob Lloyd	171	187	158	77.31	Morgan Crucible
Wessanen	625	640	485	75.00	Telfee
Jarvis (J.M.)	750*	790	775	7.60	Brookville Sec
Kent (John)	120	116	105	14.40	Redevies
Kleen-E-De	600*	625	600 1/2	16.22	Highland
Ladlow	288*	280	214	24.58	Goodie Durrant
Lewis	140	141	140	33.27	Priest (Benjamin)
Marina Davy	125*	525	132	9.32	Clincham
Micromet Hse	600*	543	488	568.80	Rich & Conwin
Mitsui	187*	185	152	30.00	Wills Leasing
Mitchell Cols	841*	85	71	61.80	Sater
Octopus	501	490	430 1/2	535.00	Reed Int'l
Plastic Contractor	127	128	126	7.71	Gwynedd Int'l
Pres Entertainment	284*	281	241	61.31	Telecom
Stewart	280	280	280	21.07	Tale Cato
Riley Leasing	104*	104 1/2	75	16.49	Midland Leasing
Ryman Group	182.99*	138	194	18.21	Pentons
Sims Catering	165*	448	141	6.15	Mr R. Randall
Stewart Wrightson	570*	582	500 1/2	251.71	Wills Fisher
Stockley	139	150	124	250.51	Mowbray
Stone Int'l	112	103	154 1/2	38.77	FTI Electricals
South & Pitt	221	210	117	21.00	Bellis
Tech Res Business	180	178	149	7.21	Cash Lease Fin
Wardlaw	185	155	139	18.85	Norsk Data

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. \*\* Based on 2.30 pm prices 4/8/87. †† At suspension. ‡‡ Shares and cash. ††† Related to NAV to be determined. †††† Loan stock. ††††† Suspended.

## PRELIMINARY RESULTS

Company	Year	Pre-tax profit (th\$)	Earnings* per share (\$)	Dividends* per share (\$)
Automag Hldgs	May	799	(707)	9.1 (8.2) 6.5 (6.0)
Orchid Tech	June	3,940	(1,078)	— — — —
Osprey Comm	May	450	(729)	4.8 (4.9) 3.0 (3.0)
Personal Computers	May	1,170	(710)	14.9 (9.8) 8.6 (8.6)
Property Trust	Mar	906L	(5,040L)	— — — —
Radian Prop Trust	Mar	679	(484)	0.3 (0.3) 0.1 (0.1)
SelectTV	Mar	240L	(262)L	— — — —
Shelton Jones	May	752	—	8.9 (3.7) 4.6 (4.6)



## MARKETS

## Rally peters out

AFTER THE past two weeks' invigorating shakeout, the US stock market is poised for big advances towards still higher records. That, give or take some differences on magnitude and timing, was the overwhelming view on Wall Street first thing on Friday morning—even before the Federal Reserve Board made its long-awaited move to raise the discount rate from 5 1/2 to 6 per cent.

Within minutes of the Fed's action, the bond market and dollar seemed to recover their composure. Those equity investors who had resisted the temptation of panic-selling during the tribulations of the past two weeks prepared to reward themselves with a nice rally.

Then, a strange thing happened. Almost before the early-morning rally started, it ran out of steam. Half an hour after the Fed's move, the dollar had given up most of its initial gains against the yen and Deutschmark.

The long-term bond market, which was expected to take the greatest encouragement from the anti-inflationary pluck of Alan Greenspan, the new Fed chairman, quickly fell back into negative territory. The stock market followed suit. From the initial rise of more than 14

points just after the discount rate action, the Dow Jones Industrial Average fell back to show a loss of 10 points against its overnight close after the first hour of trading.

Now obviously an hour's gyrations in the averages is fundamentally of little consequence to anybody except the futures speculator or professional trader. The disappointing initial reaction to the discount rate news would certainly not be a reason for market strategists on Wall

Street to reassess their almost uniformly bullish forecasts that equities will hit new records by the end of the year. But, this time, there was something suggestive about the market's short-term reactions.

## Wall Street

Street to reassess their almost uniformly bullish forecasts that equities will hit new records by the end of the year. But, this time, there was something suggestive about the market's short-term reactions.

Ever since it toppled from its peak of 2,722.49 on the Dow on August 25, the market has been having inordinate difficulty in gathering any upward momentum. Each day, the pundits have predicted that the market was due for a profitable rebound. The upward correction has duly started and has then been hit on the head by a wave of selling. Often, this has been "pro-

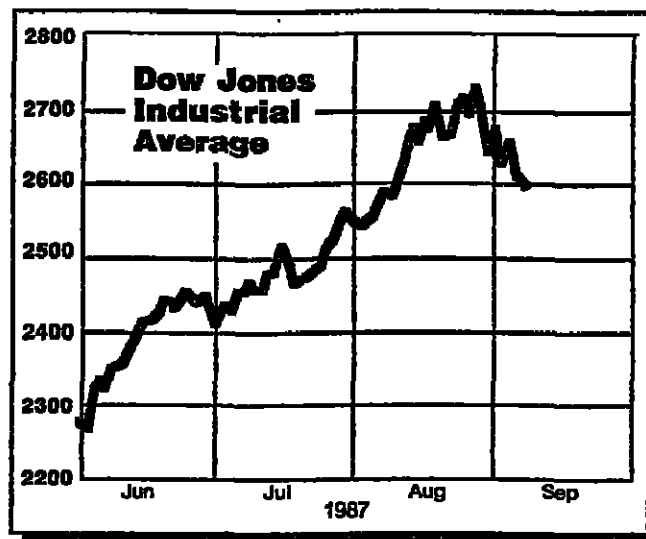
gramme selling" by computers, not by actual humans, but it has been selling nonetheless—and for six days out of the seven since the market hit its peak, the sellers have outweighed the buyers.

The equity market has not experienced a sticky patch like this since early April, when the Dow fell by 5.5 per cent in two weeks from a top of 2,405.54. On that occasion, it took another month, plus a further fall of 3 per cent, to steady the market, which then resumed its straight-line ascent from May 21 to August 25.

The main conclusion that most investors and analysts seem to be drawing from the present period of weakness on Wall Street is that history is about to repeat itself, more or less literally. As the correction proceeds, investors are rediscovering a modicum of scepticism and fear. Euphoria and excessive greed are being shaken out of the markets.

The upshot is that with each day's mild decline, the analysts can lick their lips at the potential profits that are being built in for the bull market's next upward leg.

The attitude is typified by comments yesterday from Joseph Feshbach, the widely-respected head of technical analysis at Prudential Bache: "We've had about a 5 per cent correction from the market's all-time high and there's more



miser, fear and disgust. I'm not worried we're going to see any major declines from here. The most risk we have on the downside is 2,500 and that would represent a great buying opportunity."

Of course, some analysts believe that a bigger correction is possible, considering the loftier level to which the market has soared since the spring.

Indeed, Robert Prechter, the Elliott Wave theorist who has made some of the most celebrated calls of market turning points since 1983 and is now perhaps the influential technical pundit on Wall Street, said earlier this week that a drop below 2,600 on the Dow could raise the possibility of a slide

all the way to 2,300.

But what is more indicative of the underlying mood of confidence on Wall Street is Prechter's longer-term projection. Even if the Dow were to fall to 2,300, which Prechter says is not the start of a bear market. And he adds: "Whether this correction lasts a week or a month, it will be a buying opportunity for long-term investors."

MONDAY	2,662.95	+23.60
TUESDAY	2,610.97	-51.98
WEDNESDAY	2,602.94	-8.93
THURSDAY	2,599.49	-2.55

Anatole Kaletsky

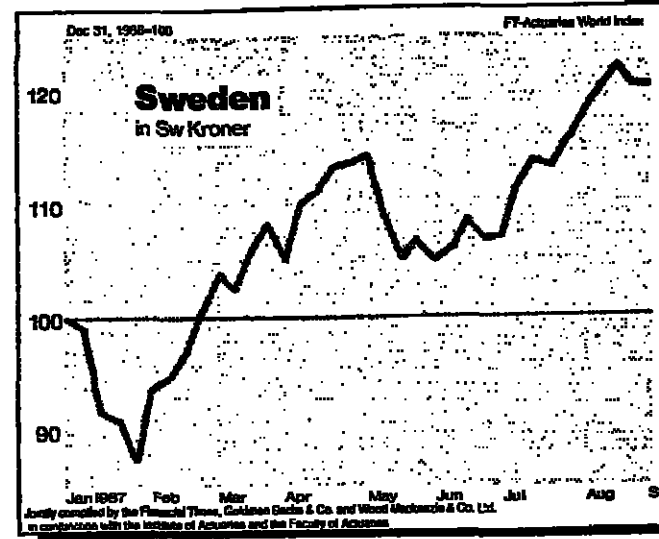
## Nothing but blue skies...

THE STOCKHOLM stock market looks set to continue its upward trend, analysts believe, largely because the institutions are so flush with money that they have little choice but to channel it straight into the market.

In fact, when asked to mention any possible black clouds that might be looming on the horizon, the analysts simply scratch their heads—what they see is the prospect of more money entering the market at a time when no new issues are expected to mop up the surplus cash and when the economic picture is generally sound.

True, Svenska Handelsbanken, Sweden's second largest commercial bank, this week came out with dire warnings about inflationary spirals and the need for the government to take a tough stance over the next wage round.

"Over-optimistic," retorted the brokers. If the government does stand firm in the next two-year wage agreement, it could promise plenty of friction in the labour market. Nevertheless, analysts see no reason why the market should do anything else but continue upwards in



the long term. The Vedrans Affärer total index closed at 1141.6 on Thursday, up 26.6 per cent since the beginning of the year and has been staging a series of highs throughout the summer.

Most of the money is coming from the institutional players who have found that demand is much greater than supply. In particular, there are the wage-earner funds and "allmansförsäkring" (small savers' funds), neither of which have even placed all the money at their disposal into the market. Analysts believe that these funds have the potential to place up to SKr 6bn in the market.

The wage-earner funds, which are detested by Swedish capitalists because they allow the unions to use corporate profits to increase their influence over companies, collect money three times a year. So far, they have not collected the full amount they are entitled to, which gives analysts hope that the index will move still higher.

The "allmansförsäkring" are tax-advantaged savings funds for the man in the street and are managed by the banks. They have proved very popular with small savers who were allowed to place an extra SKr 5,000 (instead of the usual SKr 800 a month) in the funds at the end of June, bringing a flood of money to the market (estimated at between SKr 1.5bn-SKr 2bn so far this year).

The special concession was intended to help curb private consumption and encourage the Swedes to save, save, save. Analysts are now speculating whether the government will try the tactic once again this autumn as worries about inflation intensify—it is forecast to reach 5-6 per cent (December to December).

For the small investor, the "allmansförsäkring" provides an easy route into the stock market, though brokers say that the private investors' interest

in buying and selling stocks during the summer months has generally been high.

During August, the market showed a good surge in the first three weeks, then fell back over worries about international interest rates. Turnover during this week has been about SKr 400m daily.

Most of the minor setbacks have come from uninspiring interim results—for example, Ericsson showed a setback in its half-year figures and was a big disappointment to those who thought the telecommunications and electronics group had sorted out its financial difficulties.

Volvo, however, got a favourable response from the market when it showed that its figures had picked up in the second quarter. Investors are still cautious about Volvo's exposure in the States and to what extent it can hedge the dollar.

The market received a strong

## Sweden

slip from the announcement that Asa, the electrical engineering group, would merge with its Swiss rival, Brown Boveri. In fact the engineering sector as a whole looks good and the sector index rose by 7.9 per cent in August.

The banks have also won praise lately—earlier in the year, no one thought they would be able to match the high standards set in 1986, a year when the banks reported record profits as the rewards of earlier deregulatory measures. However, analysts now believe that the drop in yearly profits will not be as great as originally expected.

Sara Webb

## Opec shapes up to critical test

selling prices in force since February, and generally observed since then, should restore a basic equilibrium. The danger is that, in the midst of a general breakdown of discipline, members might start scrambling to maintain or increase what they regard as their share of the market—which is already looking saturated—by offering discounts or the selling rates set around a central reference of \$18 a barrel.

By November, and perhaps earlier, Opec will almost certainly face a critical test similar to the one surmounted successfully earlier this year after it had returned to a system of fixed prices in February. This followed the agonising experience of 1986 when, in the first half of the year at least, primacy was given to recovery of market share. As a result, members' collective revenue

fell by more than 40 per cent—from \$133bn in 1985 to \$75bn in 1986, according to the calculations of the Royal Dutch/Shell group.

In the spring, with the market still awash with surplus oil and inventories swollen by the unrestrained production of the previous year, buyers held back

## Resources

waiting to see if Opec members' resolve, and the new system of fixed prices, would crack. Demand for their crude dropped to little more than 15m barrels a day in March compared with the somewhat national ceiling of 15.5m b/d set for the first half of 1987.

(with a couple of marginal exceptions) stuck to the new rates. By mid-year and with Brent, the key North Sea crude, at nearly \$19 prices were above official selling rates on the spot market.

The new ceiling on output of 16.6m b/d set for the second half meant, in effect, an understanding on a limit of rather more than 18m b/d after taking into account Iraq's non-compliance with the quota allocated; the prospect of it enjoying another 500,000 b/d pipeline capacity for exports; and the other inevitable, now almost institutionalised, "slippages."

Estimates of Opec output last month vary widely, with one major oil company putting the rate at 19.2m b/d and another at more than 19.8m. The International Energy Agency now puts it at 19.7m and expects production to exceed consump-

tion in the third quarter by as much as 2.5m b/d.

Nearly all the excess has come from the six Gulf members, Iran, Kuwait and Qatar have, for the time being, become as serious quota violators as the UAE. Even Saudi Arabia is exceeding its agreed entitlement.

Recalcitrant Iraq apart, the total rupture of the implicitly agreed limit has been a reaction to the increasingly explosive tension in the Gulf rather than a breakdown of discipline as such. The Gulf producers clearly have been anxious to shift as much oil as fast as possible because of apprehensions about a complete cut-off of exports.

For the same reason, buyers have been anxious to ensure adequate stocks with the approach of winter. The greater part of the surplus

Richard Johns

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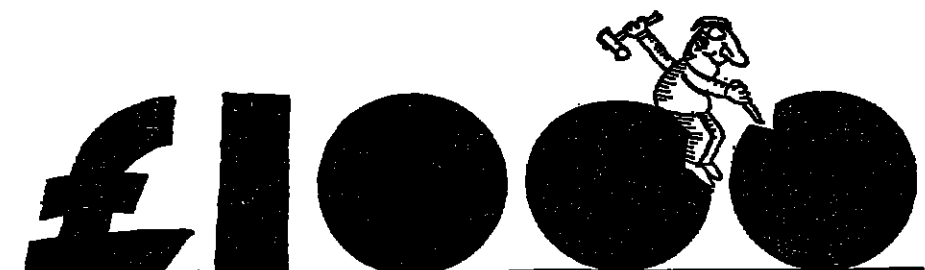
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Publication date October 14 1987. Advertisement Copy date Oct 1 1987

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- National law v International Business
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With three weeks left, only two remain in it

## Pru keeps head in front

WITH JUST three weeks to go before the end, the Great Investment Race is more competitive than ever. The leading teams, Prudential Unit Managers and Fidelity, are battling to be first past the post.

"The name of the game in any race is to win," says Trevor Pullen of the Pru. "Of course we want to win, but Fidelity does, too."

In the past few weeks, both teams have boosted their portfolios with a series of audacious speculative investments. The Pru risked £167,500 by buying shares in Unilever, but made £6,250 by selling the same day. Fidelity changed £83,901 on Deutsche Bank and pocketed a profit of £14,358 five days later.

The Great Investment Race has now been running for almost a year. The six teams began late last September, each with a portfolio worth £35,000

provided by Prudential Unit Trust Managers, the sponsor of the race.

Collectively, they have built them up into investments worth £924,432 so that Charity Projects, the organiser, has a theoretical profit of more than £700,000 to donate to selected causes when the portfolios are liquidated.

If the teams make the most of the final weeks, Charity Projects could have much more to distribute. But if they make mistakes—and given the uncertain state of the world's stock markets, this cannot be discounted—they could lose the money made so far.

While the Pru and Fidelity engage in opportunistic investment, other teams have preferred to hold their time and wait for appropriate moments to liquidate their portfolios. The value of Bell Lawrie's investments has remained static

at £47,604. Nomura's portfolio has been boosted to £55,391 by the progress of its sole stock, Nippon Business Consultants, and the strength of the yen.

Messel also has chosen a passive approach in the past three weeks. It has sold its shares in BAA, the latest privatisation issue, but the value of its holdings has waxed and waned with the stock market to £90,102.

Even Hoare Govett, which has dabbled in some daring investments, has slowed down. It still holds a substantial £163,677 portfolio of UK equities—and one opportunistic Australian investment in Wallbilla Mining—which it must liquidate before the end of the race.

At the halfway stage Fidelity advocated caution, saying it preferred to retain its winnings rather than risk them in the volatile world markets. Yet, with the finish nearing, it has been unable to withstand the

temptation of trying to regain its lost leadership from the Pru.

In the past three weeks, Fidelity has sold its BAA holding and staged a more spectacular coup by buying 1,000 shares in Jax Co, a Japanese stock, for £4,834 and selling them the following day for £11,228.

Fidelity scored a similar success by profiting from the demise of Sir Phil Harris, the entrepreneurial retailer who fell from grace last month. By buying and selling its holding in Harris Queensway within five days, it pocketed £1,400. The Deutsche Bank investment provided a further profit of £14,558.

Yet, Fidelity has also been busy buying as well as wheeling and dealing. It has acquired holdings in Osaka Building, Giza Yamagata and Sony in Japan, and in Goldstar in the US. A fortnight ago, its portfolio peaked at £265,713. It has since declined to £234,730 but

## Trust takes small view

THE PRU thinks it has found a gap in the unit trust market which it plans to exploit with the *Horizon International Small Companies Trust* being launched this weekend.

The group's UK small companies trust introduced in September last year, has done well rising by 67.6 per cent, some 10 per cent above the increase in the FT All-Share Index during the same period. But the Pru thinks it can use its special expertise in investing in small companies to just as good effect on an international basis while at the same time spreading the risk over a wider range of markets.

In fact the bulk of the International Small Companies fund's portfolio (some 50 to 55 per cent of the total) will be invested in the US. Trevor Pullen, the Pru's investment chief, believes the American entrepreneurial spirit tends to help small companies in particular. In other areas, he notes, like Japan and Europe, fledgling companies tend to be financed by banks rather than relying on capital from the equity markets.

Pullen says the move into international markets does not

reflect any immediate concern about the UK market prospects—indeed the initial portfolio will have 15-20 per cent in British small companies. The aim behind the launch is to broaden the existing range of 10 *Horizon* unit trusts still further and make the most of the apparent ability of smaller companies to perform better than their larger brethren.

The Pru claims that two years after its entry into the unit trust market, it has moved into the top 10 largest management groups with assets in its trust rising to £125bn. This puts it just above Hill Samuel, Abbey Life and N. M. Schroder.

Last year sales of *Horizon* unit trusts jumped by £31m. It now has around 175,000 unit holders—many of whom are first-time buyers of unit trusts—with an average investment of £2,300 each.

The minimum sales objective for the new *International Small Companies Trust* is £50m but the Pru has made special arrangements to cope with an expected flood of applications that might well reach £100m.

During the offer period there will be a fixed price of 50p per unit, with the Pru's normal minimum investment of £1,000. Initial (front load) charge is 5 per cent and there is an annual management fee of 1 per cent.

The new fund will be sold by the group's direct sales force, but the Pru says it is now selling a larger proportion of its unit trusts through intermediaries or by off-the-page advertising, as investors become more sophisticated.

John Edwards

## Royal's £300m target

THE LIFE insurance companies have made a considerable impact in the unit trust market using their financial muscle to challenge the traditional management groups. However, the campaign planned to launch a new range of unit trusts by Royal Life, with an expenditure of nearly £5m and a sales target of £300m is staggering by any standards.

Royal Life Fund Management, a company formed to merge the unit trusts previously run by Royal Insurance and Lloyds Life, has decided to go flat out for the potential new investors, setting a minimum investment of only £250 in their new funds and backing it with a huge TV and Press advertising campaign.

So this week TV viewers found themselves being

bombarded with details of three new unit trusts from Royal Life mixed in with the pet food and cosmetics advertisements.

This will not just be a passing event. According to Peter Baines, general manager of RLIFM, the TV advertisement will be seen 286 million times—presumably not by the same viewer.

TV is not the only advertising medium being used in the £5.9m campaign. The national Press, commercial radio and even poster sites are being used to promote the new trusts. Travellers on British Rail will now be able to pass the time waiting for their delayed trains by studying the posters at their stations.

The unit trust industry already relies very heavily on the Press for both promoting and selling their funds. Even so, Peter Baines thinks that management groups have not been presenting their wares in the way he is doing with his new funds.

Readers will be able to judge the effectiveness of this approach for themselves. But the whole approach to the marketing is refreshingly different. Royal Life Fund Managers, with consultants Moorgate Group, have adopted the style of a company share flotation to promote these new trusts.

The prime aim is to reach a far wider investor market than the usual one for unit trusts. The trust brochures are being presented in the form of a company prospectus.

Away from the advertising razzamatazz, the investor new to unit trusts can quietly discover for himself what unit trusts really are and how they work. Details of the new trusts, their investment strategies, the nature of the risks and rewards and other relevant detail. No investor will possibly be able to claim subsequently that they were not given sufficient information on the trusts being offered.

It comes as something of an anti-climax to discover that the trusts being promoted in this flamboyant way are somewhat

mundane, despite their packaging. The three funds are:

- An International Cautious Fund investing in fixed interest and blue chip equities to outperform building society returns;
- International Growth Fund to outperform the FT Actuaries World Index—the first time this comparatively new measure has been used by a UK investment institution as a performance target; and
- An International Speculative Fund—with no pre-set investment target; its aim is simply to get the highest return possible.

Often when a lot of money is spent promoting a product, the product itself tends to be inferior and overpriced. All Royal needs now is an investment performance to match its promotional drive demonstrating that its product is not inferior. To date its overall performance has been little more than average.

On the pricing aspect, the charges are 5.25 per cent initial and 1 per cent annual—in line with the market. The minimum investment is £250, with a 1 per cent discount for investment of £500 or more.

So the campaign, called the Royal Life Fund Managers Event of 1987, will really have to do well to recoup its outlay. Indeed it will have to penetrate deeply into the conservative building society-orientated investor sector to achieve the sales target of £300m in September.

The whole industry will be watching closely to see if Royal can break new ground in marketing unit trusts to the masses.

Eric Short

## Launch date set



THE OFFICIAL launch date for Britain's planned new gold bullion coin, the Britannia, has been fixed for October 13 and it will be available to the public the next day.

Nigel Lawson, Chancellor of the Exchequer, announced in March the plan by the Royal Mint to enter the international gold bullion coin market, which has become highly competitive, since the restrictions imposed on imports of South African Kruggerands by the other competitors, such as Australia, Canada and the US, are using domestic mine production for their coins while Britain will have to rely on supplies bought on the world gold market.

The 22-carat gold Britannia will be minted in four sizes—1 ounce, 1/2 ounce, 1/4 ounce and one-tenth ounce. It will feature a portrait of the Queen by Raphael Maklouf on one side

and a specially commissioned design of Britannia on the other. To qualify as legal tender the coins have a theoretical face value—£100 in the case of the one-ounce coins—but the actual price will be based on the gold bullion price on the day of purchase plus a premium to cover the cost of manufacture and distribution.

Primary distributors have already been appointed in the UK and five international markets—Germany, Hong Kong, Japan, Switzerland and the US. Details of retail distribution outlets will be announced later.

J.E.

## Extra interest

BANK OF Scotland is introducing some improvements to its Home and Office Banking Service (ROBS).

Two new, higher-interest rate bands are being added. Interest on deposits over £100,000 is now set at only 0.5 per cent below base rate, and at 0.75 per cent below for balances between £50,000 and £100,000.

The lower tiers are unchanged, with 3 per cent below

base being paid on deposits of less than £1,000.

The bank also is bringing in faster processing arrangements, allowing information to be available on screen between 8 pm and midnight. Previously, you had to wait until 8 am the following day. This change means home-based customers can use the service at the cheapest time, with no Prestel charges between 6 pm and 8 am and reduced telephone costs.

## Rate cut stays

ALLIED DUNBAR is retaining the 0.75 per cent cut in its home loan rates, applying from September 1, for one month but it will put them back to the previous level in October because of the recent bank rate rise, which has forced mortgage lenders to cancel previous cuts.

So, for one month, loans of over £75,000 will be available at an interest rate of 10 per cent, rising to 10.50 for mortgages between £30,000 and £55,999. Straight repayment mortgages have an interest rate 0.25 per cent higher.

Meanwhile CIBC, which cut its home loan rate by 0.85 per cent, has raised it back to the old level of 11.1 per cent.

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to the  
test

THE INVESTMENT trust industry has always made the claim that its products perform better than unit trusts. Comparisons are usually based on the average performance figure for the whole investment trust sector against the Unit-trust Index, a measure of unit trust performance which has been calculated by Money Management for some years but is not used widely in the unit trust industry itself.

Part of the problem of comparison is that the two industries are very different. There are more than 1,000 unit trusts, divided into six UK and 11 international sectors. Investment trusts shown in the Association of Investment Trusts' monthly figures number fewer than 150, spread over 13 categories.

On a whole, the investment trust industry has come more for general than specialised funds. The unit trust industry has a well-developed range of funds, some of them very specialised. Investment trusts also have more of a name for balanced objectives—that is, for providing income growth as well as capital growth.

There are signs that investment trusts are going more the way of unit trusts in both these respects. An investment trust linked to the Spanish market was launched recently, and the number of trusts designed to produce capital growth with a negligible yield is also growing.

Investment trust figures are quoted mid-market to most markets, whereas those for unit trusts are usually shown on an offer-to-bid basis. This puts unit trusts at a slight disadvantage and means that the return shown for the investment trusts is a little higher than the investor would actually get.

To compare the two invest-

## INVESTMENT TRUSTS AND UNIT TRUSTS COMPARED

Figures to July 31 1987, mid to mid, income reinvested. Average performance by category.

	1 yr	3 yrs	5 yrs
Capital & Income Growth:			
UK	77.1	219.9	423.9
Income Growth:	55.4	170.3	377.2
Capital Growth:			
International	43.5	149.5	323.7
North America	27.7	75.3	199.5
Far East	50.8	158.7	388.1
Japan	16.8	117.6	408.2
Commodity & Energy	96.6	85.4	144.1

Unit trusts  
Figures to July 31 1987, mid to mid, income reinvested. Average performance by sector.

	1 yr	3 yrs	5 yrs
UK General	52.0	167.2	369.6
UK Equity Income	57.2	184.0	383.2
International Growth	32.8	111.6	251.6
North American Growth	12.6	56.2	165.8
Far East Growth	46.7	140.1	280.3
Japan Growth	10.8	146.3	411.8
Commodity & Energy	113.5	90.0	177.6

Sources: Association of Investment Trust Companies/OPAL

ments more closely, we have taken seven sectors or categories from each, showing the average sector performance in each case.

The main difference between them is that the investment trust categories are much smaller than the unit trust sectors. For instance, the one-year average for the Income Growth category is based on the performance of 10 investment trust companies, compared with 105 unit trusts in the UK Equity Income sector.

The comparison, as you can see from the table, comes down on the side of investment trusts, which perform better in 14 of the 21 results shown. The average unit trust has done better in the income category over the shorter terms, in Japan over the longer terms, and in the Commodity and Energy sector throughout.

This coincides with the results of a comparison made in January where top Japan unit trusts seemed to have outperformed the corresponding investment trusts.

It might be argued that, since the unit trust sectors are so much bigger, you should expect a wider range of performance; thus, top performers might have done better and worst performers worse than in the investment trust categories.

To test this theory, we took

top and bottom performers for four of the major sectors. However, it is difficult to see a clear pattern emerging from this exercise. In the Capital and Income Growth: UK category, the average investment trust performance had beaten the average UK General unit trust over all periods, though the worst performing unit trust had in all cases outperformed the worst performing investment trust.

The investment trusts have also been much more successful than the unit trusts at investing in North America, and have been more successful at protecting investors during difficult markets. Worst performers returned 33.2 per cent, 53.7 per cent and 165.4 per cent over one, three and five years, compared with 5.5 per cent, 4.6 per cent and 76.9 per cent among the unit trusts.

It is hard to pinpoint any good reason for these big differences in performance.

Using the AITC sector average over one and five years and the OPAL unit trust average over the same periods, the comparison continues to favour investment trusts, with 53.0 per cent and 341.6 per cent growth, compared with the unit trusts' 41.95 per cent and 282.78 per cent.

Christine Stopp

## Pensions

## Getting the message on videos

COMING SOON at your local company training room: the War of the Pensions videos.

You guffawed at the predicament of comedian Lennox Henry in the video produced for the National Association of Pension Funds. But among the rival TV personalities lined up in competing videos are Roy Kinnear, Jeremy Beadle, Chris Searle, James Bolam, Richard Stilgoe, Peter Jones and Sir Michael Hordern.

A large percentage of the membership of Action Equities appears to have gained employment by courtesy of a variety of firms of actuaries, pension consultants and insurance companies.

At the last count, nine different videos had been produced to help put over the message about the threat posed to company pension schemes. Remember that next year will see the introduction of the right of scheme members to opt out of their companies' arrangements and set up their own private and personal pension plans.

Although the start date for personal pensions has slipped back by three months to July, employees will still be able to backdate them to April.

However, the impartiality of some of these videos is decidedly suspect. Most of them are sponsored by advisers to company pension schemes. They are presumably motivated by a desire to show that they are supporting their corporate clients.

Television is a powerful but expensive medium. Clearly, many big firms within the pensions industry feel that the price is worth paying to put over a very complex message.

Alternatives such as brochures might simply generate yawns among the target audience, the 11m members of company pension schemes, few of whom have any financial expertise.

But can a 15-minute video deal with all the complicated issues fairly, while at the same time holding the attention of its audience?

Remember that the NAFF video ended with a desperate Henry being nailed into a coffin by a grinning undertaker, played by the same actor who in an earlier scene had doubled as a personal pensions salesman.

A similar loaded message is put across by several of the newer videos. For instance, in a spoof game show *The Decision's Yours* hosted by unctuous quizmaster Jeremy Beadle, it soon becomes apparent which contestant is going to be able to afford the top prize of a world cruise (at retirement, of course).

Naive Bill, the first contestant, chooses Serps, the State earnings-related pension scheme. Ambitious Roger prefers a personal plan, which he is confident will serve him better. But bright Kate opts to stay with her company scheme.

Given that this video is sponsored by pension consultant William M. Mercer Fraser, it is not altogether surprising that the game, played according to

decidedly obscure rules, ends with the score Bill 18, Roger 20, Kate 27.

Others make a greater attempt at impartiality, although sometimes at the cost of clarity of message. For instance, an elaborate Video Arts production depicts James Bolam as an out-of-season Ebenezer Scrooge haunted by the ghost of Birthdays Yet To Come.

At least this video makes workmanlike attempts to explain that the decision about opting for a personal plan could depend upon factors like age and mobility. Standard Life Assurance had a hand in financing this one.

However, there is not a lot to be said in favour of the video produced for consulting actuary S. Watson. A pair of wacky private eyes at the Ace Detective Agency set out to solve the mystery of the personal pensions choice. "Pass me the ice-cream," says one, but it doesn't help much.

So, watch out for these videos when they go on general release.

They have titles like *The Choice Is Yours* and *Pensions In 1988—Your Future*.

One particular trap into which videos are tending to fall is their assumption that companies pay contributions into their pension schemes on their employees' behalf.

Companies usually will refuse to pay anything towards a personal plan, it is suggested, but may contribute as much as twice an employee's payments into an occupational scheme. But the fact is that, at the moment, many companies are paying nothing into their schemes because they are enjoying so-called "contributions holidays"—which could last for several years in a large number of cases.

With the best will in the world, it is hard to avoid the risk that over-simplification will turn into misrepresentation. At the very least, the videos will need to be backed up by extensive documentation and expert explanations.

Barry Riley

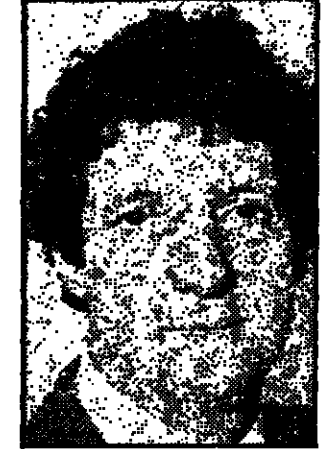
Coming soon to your local company training room—a host of TV stars to help you reach a decision on retirement



James Bolam



Sir Michael Hordern



Chris Serle



Roy Kinnear

## Action time for personal plans

LAST WEEK, the Government announced that the starting date for personal pensions had been postponed from the beginning of January to July 1 next year because of the revised timetable for the implementation of the financial services legislation.

What are the practical implications of this delay for employees who are, or will be, considering taking out personal pensions?

● **Employees not in a company pension scheme**—If the intention is solely to take the minimum appropriate pension so as to be able to contract-out of the State Earnings Related Pension Scheme, then the employee must wait until July 1. However, you can make the necessary inquiries before that date and almost certainly salesmen will not postpone their promotion schemes.

More important, the contract can be back-dated to April 6, 1987, so that the full rebate contribution will be paid for the tax year 1987/88 including the 2 per cent incentive payment for that year.

Employees will have a choice of contracts, including those from the new providers—banks, building societies and unit trusts—as well as from life companies, the existing main suppliers.

● **Donald Elkin is a director of Wilfred T. Fry, of Worthing.**

Donald Elkin

then you have two choices for investing extra contributions: either wait until July 1, when you will have the full choice of contracts, or, if you plan to take out a contract from a life company, you can take action now. The earlier the start, the greater the ultimate benefits.

Employees not in a company pension scheme are eligible for Retirement Annuity Contracts, referred to as Section 226 policies (named after the relevant section in the 1970 Income and Corporation Taxes Act). These contracts are not exclusive to the self-employed.

Such employees can invest the intended extra contributions in the current tax year 1987/88, thereby receiving the benefit of an extra year's contribution. These contracts will now be available until June 30, 1988.

These policies have the same investment funds as the new-style pension—indeed the layman will find it very difficult to distinguish between the two contracts. But there are differences generally in the favour of 226 contracts.

In particular, a higher proportion of the benefits from a 226 contract can be taken as tax-free cash, compared with personal pensions.

Admittedly, you can take the benefits from a personal pension at 50, while you have to wait until 60 to enjoy the fruits

of a 226 contract. But if you want to get your money earlier, you will be able to switch from a 226 contract into a personal pension. There is no switch the other way.

However, the benefits of a 226 contract need not be confined solely to those contributions for 1987/88 and 1988/89. If the contract is designed to take variable payments, either on an annual or single premium basis, then all future extra contributions can be put into a 226 contract.

Some life companies, such as Standard Life Assurance, do not have 226 contracts with this facility. So employees need to check on this point before investing.

Remember, too, that the £150,000 limit on the cash sum applies to each pension arrangement. Therefore ensure that the contract is written as a cluster of policies, so that the cash limit is £150,000 for each policy.

Employees not in a company pension scheme can take out the minimum personal pension on July 1, to contract-out of Serps, though this is not obligatory. Indeed, men over 50 could well be better off staying in Serps.

● **Employees in a company scheme**—Employees will be able to opt out of an existing company scheme, or decline to join, from April 6 1988.

But if you are leaving your company before coming out of a personal pension, you will still have to wait until July 1.

On the other hand, if you are in a contract-out scheme and you plan to take a personal pension, then you should leave the scheme on April 6 to qualify for the full year's rebate. It is more complex to backdate contracted-out than contracted-in.

The postponement of the starting date for personal pensions has opened a loophole in the conditions governing the payment of the incentive contribution.

Previously, an employee leaving a contracted-out company scheme to take a personal pension was not eligible for the incentive payment if he had at least two years' membership of the company scheme.

Now if you leave on April 6 you could be eligible for the incentive on July 1. The Department of Health and Social Security is looking into the position and one can expect loopholes to be closed in the regulations formalising the postponement.

If you intend paying extra contributions then you can use a 226 contract as described above, but starting from the tax year 1988/89.

The postponement has provided this option that previously would not have been available. It needs to be emphasised

that you should consider very carefully before coming out of a good company pension scheme.

The postponement of personal pensions means that employers can put their company scheme alternatives to personal pensions, such as Contracted-Out Money Purchase Schemes (Comps), in place by April 6, 1988—that is before personal pensions become available.

So employees will be in a better position to check on employers' arrangements before making their own.

● **The self-employed**—The postponement is good news for the self-employed. They can use 226 contracts for another six months before they disappear—an extension which takes them into another tax year. But it does mean making arrangements early instead of waiting until the end of the tax year as is customary.

The life companies intend to mount a major promotional campaign to publicise these concepts and push 226 contracts for all they are worth. The postponement means they have six more months before new competitors appear on the scene and they intend to make maximum use of this extra selling period.

Eric Short

Take care when  
you come home

RETIREMENT HERALDS a period of great change, particularly if you are an expatriate returning to Britain. You face the additional problems of re-integrating yourself after an absence which could have spanned many years.

This means a wholesale re-organisation of your financial affairs as well as social considerations will be paramount, taxation should never be far from your thoughts.

You will regain the status of resident (and, where it did not apply already, domicile as well). As a result, income previously exempt will become taxable. Interest on British Government securities, exempt while you were non-resident, will attract tax for all payments after your arrival.

Surprisingly, some British income is taxable retrospectively from the first day of the tax year in which residence status changes. This includes income from National Savings investment accounts and income and deposit benefits as well as pension lump sums. If you have substantial investments of this kind, you would do well to transfer the funds concerned to offshore accounts in the tax year before your arrival.

Overseas income which continues beyond the date of arrival in the UK will attract tax. But income from a source disposed of before becoming resident will escape liability. Overseas deposit interest from an account closed immediately before arrival will avoid tax altogether.

Some receipts from overseas will be exempt from tax in any event. Examples include remuneration and terminal bonuses relating to services before the change of residence.

status, terminal leave pay (even if it extends beyond that date), provident fund maturities and (in most cases) pension commutation.

This last point is of the utmost importance and demands the close attention of all who belong to overseas pension schemes. Most modern arrangements incorporate the right to commute the pension wholly or in part for a lump sum.

In deciding what to do, you should remember that while only 90 per cent of any pension you draw will be subject to tax (those belonging to UK-based schemes will be taxed on the whole pension), the commuted lump sum will be tax-exempt totally if a substantial part of your pensionable service has been overseas.

As a result, maximum commutation is the norm, although tax planning considerations often point to investment for a modest yield with a view to achieving the lower-taxed benefits of capital gains.

Naturally, resuming UK residence also ends the total exemption from British capital gains tax. But, in any case, you should not overlook the fact that this exemption extends only to gains realised while you are non-resident, not to those which merely are accrued.

That is why it is so important either to realise investments which have achieved substantial capital gains or, in the case of those who wish to retain a "bed and breakfast" them before the change of status comes about. (Or, in the case of those whose non-residence does not extend beyond 36 months, in the previous tax year.)

This is crucial in the case of offshore funds which do not have distributing status, since



any gains realised after UK residence is resumed are subject to income tax.

Remember, too, that non-working spouses with British places of abode might already be UK residents and, hence, liable to capital gains tax (subject of course to the £1,000 a year exemption) even before your move to Britain.

One tax which your return probably will not affect is inheritance tax, since UK domiciliaries are liable in full even when they live overseas.

Clearly, therefore, this is also the point at which your potential liability to this tax and the means by which you might mitigate it—whether by the provisions of your will or otherwise—should be considered.

● **Donald Elkin is a director of Wilfred T. Fry, of Worthing.**

Donald Elkin

## THE BEST PENNY SHARE GAMBLES

Each year, Money Observer's editor John Davis carries out an exhaustive review of penny shares and selects those that offer the best value for money. If you have followed his annual maps you will have made handsome gains. The 1986 selections, for instance, included Excalibur Jewellery and Amalgamated Financial Investments, which went on to record gains of 1,490 and 1,194 per cent respectively. Overall his 1986 maps produced gains averaging 391 per cent. If you do not want to miss out on his 1987 review get the 116 page issue of Money Observer, available at leading bookshops now, priced £1.95. But even better value is an annual subscription to Britain's top selling investment monthly. It costs only £18.50 (£27.50 overseas). You will also get two free gifts:

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## FINANCE &amp; THE FAMILY



## A poll tax is nothing new

THIS AUTUMN the parliamentary stage is set for a comedy called "Poll Tax." It could be panned by the critics as a farce. For it is a re-run: a re-worked script, a classic case of history repeating itself, with nothing learned since.

A poll tax—"hitherto unheard of," according to the chronicler Thomas Walsingham—was levied in 1377, 1379 and 1381. Both Edward III and his successor, Richard II, had stepped up the war with France with the royal coffers nearly empty and the troops were on the point of desertion. Parliament, then in its infancy, was asked to devise a tax that would bring in a lot of money fast.

The "poll" tax seemed the solution. Literally a "head" count levy, every adult in the realm had to pay it. It was unpopular, grudgingly conceded—and triggered, in 1381, the Peasants' Revolt, the only significant popular rebellion in England during the middle ages. Led by Wat Tyler and John Ball, rioting crowds from East Anglia and the Home Counties marched on London and actually occupied the Tower before initial success gave way before ruthless oppression.

The problem was making the poll tax socially acceptable. The first levy was set at the (very low) level of one groat (fourpence, then equivalent to about one and a half days' unskilled labour) for every male or female over the age of 14. The higher levels of the nobility, and the clergy, paid three groats. The only exception, as in both the subsequent applica-

It caused riots in the 14th century and we've learned nothing since, says Gunter Kowa

tions of poll tax, was "genuine beggars"; a precedent for compassion which seems lost on present Government ministers.

The next poll tax, in 1379, was assessed on a social scale. Dukes, earls, judges and the Mayor of London were at the top of the paying league, along with "each archbishop, each bishop, abbot and prior." Then came the lower nobility, merchants, government and municipal officers, as well as the lower clergy (in a middling tax bracket, 12 pence to 40 shillings); and finally, at fourpence a head, all remaining adults over 14.

Obviously, collection of the tax was cumbersome and time-consuming. It was also fiscally unsatisfactory: revenue actually fell, from £21,600 in 1377 to £18,864 in 1379. What both efforts did produce, though, was a wealth of documentary information about medieval English society, with statistics which are now invaluable to the social historian. It was on these that the success of the 1381 poll tax was measured.

In November 1380 Parliament convened in Northampton and granted, with misgivings, a levy of £100,000—in those days regarded as a fantastic sum—to be raised by a general poll

tax. The clergy, "who occupy a third part of the realm," were obliged by paying a third. The rest of the tax burden fell once again on the whole adult population (this time over the age of 15). There was a social sop of sorts: each rural or municipal community was allotted a quota equivalent to one shilling per head, the rich helping out the poor by paying a proportionately greater sum. But this left the common folk at the mercy of the wealthy—and often enough, in any case, there were no wealthy people to help out. Tax evasion was rife.

Today's civil servants, engaged in the task of constructing a scheme for the collection (and enforcement) of the proposed poll tax, may find some dubious inspiration in the experience of their medieval predecessors. The administrative procedures of 1381 included sworn collectors and controllers appointed for every area to assess, levy and collect the tax. They were authorised to seek out the numbers, names, rank and estate of all persons liable to pay. In this task they were assisted by constables, mayors and bailiffs—and in effect they carried out a census.

First returns were disappointing. The central government of the realm suspected mass evasion and corruption. So commissions of inspectors were sent out, with power to arrest and imprison the delinquent. In effect they carried out another census.

It was indeed likely that they should do so, because the early returns had also suggested a catastrophic loss of population. Between 1377 and 1381 the population of Somerset, for example, is supposed to have fallen from 54,804 to 26,124; that of Suffolk from 58,610 to 31,734; and of London from 23,314 to 20,297 (on a recount). Returns from the villages show that the most common evasion ploy was to "forget" dependent womenfolk: daughters, widows, sisters. Felsted, in Essex, reported 101 men and only 64 women. The control commissioners got tough. There were excesses like virginity tests enforced on some young girls to establish their marital status.

Public grievances came to a head in the march on London in June 1381. Historians have drawn sobering conclusions from these events. T. F. Tout declared: "The extreme incompetence of the administration was a widespread grievance which, if not remedied, would seem to be impossible as I have no contractual relationship with the purchaser's solicitor." (a) Does the purchaser's solicitor have this right? (b) If not, could he require my

## An inspector's call

When completing my income tax return a month or two ago I gave particulars of income received gross (January-April 1987) on government stock purchased through the post office in November 1986.

My inspector of taxes is now asking me to estimate the interest I expect to receive during the period 1987-88 from this stock.

Would you kindly explain to me the reason for such a request?

So that he may make an assessment upon you for 1987-88, probably, and collect the tax on New Year's Day (although the tax collector's office will in fact be closed for the first three days of 1988). If any of the interest falls due between January 3 and the end of the tax year, you can ask for the appropriate amount of tax to be held over (subject to a possible interest charge for late payment) until the respective due date or dates, by virtue of an unpublished extrastatutory concession. This concession appears still to exist, although it has been omitted from the latest supplement to the 1986 booklet of concessions, IRI. If you wish to take advantage of this concession you should tell the inspector that you wish the 1988-89 assessment to be made on the current-year basis, in accordance with section 12(1)(c) of the Income and Corporation Taxes Act 1970 (as re-enacted in the forthcoming Consolidation Bill). We could have given you a simpler and more helpful answer if you had given us more precise background data. Why not ask the inspector the reason for his request?

## Solicitor is right

I am doing my own conveyancing for the sale of part of a field and the purchaser's solicitor says that, on completion, he will require the deed for the field in order to endorse a memorandum recording the sale of the part. I know that this is customary but there is a possibility that the memorandum might be vague or contain an error which could cause much trouble after many years. Redress would seem to be impossible as I have no contractual relationship with the purchaser's solicitor. (a) Does the purchaser's solicitor have this right? (b) If not, could he require my

permission as a condition of completing the sale? The purchaser's solicitor does have the right: you can agree with him in advance the form of the endorsement.

## Claim for interest

I am a trustee (one of two) for the pension fund of a company which went into liquidation some four years ago. Pending winding-up of the scheme, the invested money continued to earn interest (it remained in the London and Manchester Companies' Investment Funds) until October 31 1986, when the fund was worth £891,227.53.

At this stage it was agreed that the members should have a choice as to where to invest their money (leave it where it was, move to another fund, have a paid up pension etc). Members were given three months to decide, although it has in fact taken longer.

Now that the money is to be paid over in the near future, I have sought (with other members) to obtain from London and Manchester interest on the money from the declaration of the amounts in November 1986.

Initially they rejected the matter out of hand, but I persisted and they have now stated that they will—

a. Give three months interest to 30.6.87 at 10 per cent per annum, on the sums owing to myself and the other members I have joined with.

b. They will continue this rate of interest from month to month, from 1.7.87 until 31.12.87, when the matter will be reviewed.

I have replied that it is not reasonable for them to retain interest for the five months ended March 31 1987, as that money was held by them on trust for the members. I have also said that more than 10 per cent could be earned in a building society, and I have asked them what rate they actually obtained. I believe the other trustees will join with me to sue the company if necessary, but I should be grateful for your advice concerning the possibility of success in such an action.

We can see no good reason why the whole of the interest earned on pension fund assets should not be paid to the pension fund trustees. Your reasoning is correct. You and your co-trustees have a duty to recover the whole amount of the interest actually earned, by litigation if need be.

## Expenses refused

In 1987 my father's will established a trust with my mother as life beneficiary. I was one of two trustees appointed. My mother died in 1986 and we are now realising the assets of the trust. There are five beneficiaries: the trustees for one-third each and three others receiving one-ninth each. The original assets were of about £17,000, and although all income was disbursed and



No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

## Bank is wrong

In February my bank, Lloyds, sold 1,000 Sound Diffusion shares on my behalf. My account has yet to be credited with the proceeds of the sale. But when I contacted my bank they said that their brokers have lost track of the share certificates.

I recently received a letter from my bank saying it was necessary for me to sign an indemnity form absolving the bank from all blame and costs etc involving the transaction.

I told a bank employee that I would not complete this document. Her response was: "It is out of my hands."

I feel that after about five months the "indemnity form" only adds insult to injury. Do you consider that my refusal to sign this document could make any difference?

Since the certificate was lost before any attempt had been made to send it on to you we agree that it would be wrong for the bank to ask you to sign an indemnity. The loss was done by the bank or by its broker without charge to you. Alternatively the brokers and the bank might press the company to issue a duplicate certificate without an indemnity if the loss occurred before the certificate had been received. The certificate is still unclear. If the bank persists in trying to get you to give or pay for an indemnity, you can refer the matter to the Banking Ombudsman, 5-11 Fetter Lane, London EC4A 3ER.

## BRIDGE

TO ATTACK the declarer's entries may be the only way of defeating his contract. Look this deal from rubber:

♠ 5 2  
♥ 10 5  
♦ 10 9 4 3  
♣ A 7  
W K Q 9 8 ♠ 9 4 3  
♦ 7  
♦ K J 8 7 ♠ 6 5  
♦ K J 10 ♠ K 9 6 4 3 2  
♠ S  
♠ A 7 K Q 8 6 4 2  
♠ A Q 2  
♠ 5

With North-South vulnerable, South dealt and opened with two hearts. West overcalled with two spades, and North raised to three hearts; and South's bid of four hearts was followed by three passes. West led the ace of spades,

East dropping the three, and South ruffed the third lead, crossed to the ace of clubs, ruffed a club high, and entered dummy via the 10 of hearts. He ruffed the last club, drew East's remaining trump with the knave of hearts, and returned to dummy's 10 of diamonds. East produced the five, and the declarer let the 10 run. West took with his knave, and was endplayed. A spade return would concede a ruff discard, allowing dummy to ruff and South to throw his queen of diamonds; a diamond would run into the declarer's tenace.

Let us put an expert in West's seat. After cashing the spade honours, he can see the threat of an endplay if South is able to strip dummy of spades and diamonds. To do this, he needs three entries to dummy, plus one extra entry to lead the diamond from the table. He has two entries in the knave and 10 of hearts, and one in the ace of clubs. The expert West

does not lead a third spade and so allow South to ruff without using one of his entries. He shrewdly leads the seven of hearts at trick three, and South goes down.

Now for a vintage hand from the maestro, Culbertson:

♠ 4  
♥ Q 5  
♦ K Q 9  
♣ A K Q 9 6 2  
W K 7 3 ♠ A 2  
♥ J 8 7 2 ♠ K 9 6 3  
♦ 7 4 2 ♠ A J 10 3  
♠ 8 4 ♠ J 10 7  
♠ 8  
♦ J 10 9 8 6  
♠ A 10 4  
♠ 8 5  
♠ 5 3

At love all South dealt; and after cashing his ace of clubs, East came in with one diamond, and South said one spade. North held three clubs, South said three spades, and North raised to four spades. Instead of leading his partner's suit, West led the eight of clubs. This was primarily to

attack the club communication between declarer and dummy; but there was also the idea of making a third-round ruff. Winning with dummy's queen, declarer returned a spade, and West's king captured the queen. West continued with his other club, the king took, and the last spade was led. East won the force with his ace, and now made the key play—he led the knave of diamonds, trusting his partner to hold a third trump. This fine return forced the declarer to use dummy's entry in that suit before it could be of any advantage.

South played dummy's ace of clubs and discarded his other diamond. West ruffed, led the two of diamonds, completing a petter. East covered dummy's king, and South ruffed. Hoping that the king took, and the last declarer led a low heart, but fate was unkind and the contract failed by two tricks.

Great defence—an imaginative opening lead by West, and fine cooperation by East.

E. P. C. Cotter

## CHESS

THE JUNIOR world chess championship, for players under 20, has traditionally been a proving ground for Russia's contenders for the senior title. Former winners include Spassky, Karpov and Kasparov, as well as Sokolov and Yusupov who are prominent candidates. This year's junior world, held at Baguio City, the Philippines, included three Russians as well as grandmasters and masters from the US and Western Europe.

All were outclassed by the 17-year-old Indian champion Viswanathan Anand, who scored 10/13 ahead of Russian silver and bronze medalists, with an American fourth. Anand has completed several times in Britain's annual Lloyd's Bank Open where he gained a reputation for extremely fast play, coupled with an alert, tactical vision.

The new champion's best game at Baguio tested a crucial question in chess theory. The Ruy Lopez 1 P-K4, P-K4; 2 N-K3, N-Q3; 3 B-N5 has been a favourite of many great champions, such as Bobby Fischer and Anatoly Karpov. The QN5 bishop restrains the black centre, but what happens if Black simply chases away and removes the dangerous bishop by P-Q3, P-QN4 and N-QB7?

Some believe that Black can do just that, and that opening books should be rewritten. The bishop chase is especially popular in Norway, whose grandmaster champion was No. 1 seed at Baguio. Black failed to prove his argument at the board, but doubts remain.

White: V. Anand (India). Black: S. Agdestein (Norway). Ruy Lopez (junior world championship 1987).

1 P-K4, N-Q3; 2 N-K3, P-K4; 3 B-N5, P-Q3; 4 B-R4, P-QN4; 5 B-N3, N-R4; 6 O-O, P-Q3; 7 P-Q4, N-B; 8 K-R2N, P-KB3; 9 N-B3, B-N2; 10 N-KR4, N-K2.

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Black's difficulties in this game derive from his king trapped in the centre, unable to castle. More active is 10... Q-Q2; 11 P-B4, O-O; 12 N-B3, N-K2; 13 P-Q4, P-QB4; 14 P-P ep, QxP.  
11 P-P ep, QxP; 12 Q-B3, Q-Q2; 13 R-Q1, Q-K3; 14 N-Q5!  
An astute novelty in place of B-K3, P-KR4! when Black can offer a queen exchange by Q-KN3.  
14 N-KN; 15 P-N, Q-B2; 16 P-B4, B-K2; 17 N-B3, R-Q1; 18 B-K3, P-N3.  
The key to White's plan is that Black remains unable to castle because of 18...O-O; 19 B-R6! With the black king stranded, White can simply

build on his advantage in space and develop until a breakthrough opportunity occurs.  
19 N-R6, Q-N2; 20 Q-N3, B-QB1; 21 P-KR4! B-Q2; 22 Q-B3, B-K2; 23 Q-R1, P-P; 24 R-B1; 25 P-B3, P-B4; 26 B-N3, R-B2; 27 P-B3, Q-K2; 28 Q-KN3, P-B5; 29 Q-R4, P-K5; 30 Q-Q8!  
Starting the decisive attack: 31 P-F; 31 P-F, R-F? 32 R-B3 ch. 30...Q-K4; 31 P-F, R-R ch; 32 R-R, P-K5?  
Losing at once; Black should try QxP (B2); 33 N-N4, R-N; 34 Q-B, R-B4.  
33 R-Q8 ch, K-K2; 34 N-N8 ch! R-N; 35 R-R, B-K3; 36 P-O, P-P ch; 37 QxP, R-Q; 38 R-B, Resigns.

SOLUTION Page XVI  
Leonard Barden

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## COLLECTING

Antony Thorncroft previews a major London event—next Wednesday's opening of the Burlington House antique sale and exhibition

## Art, ambience and mammon at the fair

ON WEDNESDAY the antiques world rouses itself from its brief summer break. Of course Phillips and Christie's South Kensington, among the auctioneers, never close, and most of the leading galleries have some sort of show, but with the belief that customers are off seeking the sun, the trade operates at a low gear in August.

But on Wednesday the doors of the Royal Academy open for the Burlington House Fair, which is proudly promoted as the antiques dealers' fair.

It would be tedious to drag up the history of the fair, the battles with the Grosvenor House, where it used to be housed, and the emergence of two major fairs in London, one at the old venue, the other at the Royal Academy's home, Burlington House.

Both have now firmly established themselves. The Grosvenor might be flashier, more geared towards the rich American buyer over for the London season in June, while the Burlington, held every two years, has a more academic reputation and is the delight of dealers, but the differences are minimal.

The Burlington has overcome two nasty obstacles—its timing and its venue. Ideally it should be put back into early October when there are more buyers around and the trade has had the opportunity to stock up after the selling spree in the early summer. There has also been the feeling that the Royal Academy likes the Burlington's

money—it earns around £40,000 from the two-week rental—rather than this explosion of mammon in its grand surroundings.

If the Royal Academy is not a natural habitat for a businesslike fair (some of the Friends of the RA who attend are surprised that all those impressive works of art are for sale) the natural light that filters through its galleries shows off the antiques to much better effect than the fabricated atmosphere at Grosvenor House.

Apart from being organised by the dealers themselves, Burlington has one other major distinctive feature from the Grosvenor—it lets in foreign dealers. It is virtually impossible for a newcomer to break into Grosvenor House but some interesting dealers will be talking space at the RA, in particular Delattre of Brussels with ethnographic art, especially pre-Columbian American, and Piero Corsini of New York, who is offering a pair of religious paintings on marble by Jacopo Bassano.

The foreign dealers not only open up the fair, widening its range and attracting a more international clientele, they also improve its appearance. On the Continent much more attention is paid to the display of stands, and the combination of some intriguing new dealers and the magnificence of the Great Rooms at the Royal Academy ensure that this is a good looking concern.

The Burlington does not bother with all that nonsense about insisting that everything for sale is an antique; that is, an object over a hundred years old. As its chairman, Kenneth Snowman, of Wartski, says: "We are not century snobs." So picture dealers like Peter Nahum and Julian Hartnoll, whose offerings extend well into the 20th century, have taken space as well as David Messum, a popular pioneer of the Newlyn School in

recent years, who at the RA offer pictures ranging up to 1930.

The loan exhibition, without which a major fair these days would look quite bare, is also relatively "modern." The two greatest collections of Fabergé jewels (outside the Soviet Union) are temporarily joined—those of the Queen and Malcolm Forbes, of Forbes Magazine; and among the select items on loan are some of the fabulous eggs presented each Easter by the last two Russian Tsars to their consorts, including the Mosaic Egg of 1914 owned by the Queen. Also definitely not for sale is a selection of some of the treasures that the National Art Collections Fund has helped to acquire for the V & A.

In 1987 the Fair attracted 25,000 visitors, as many as for Grosvenor House. What will they receive for their 24 entry



A pre-Columbian ceramic seated figure dated 500 to 1000 AD, on offer at Delattre of Brussels.

fee (including lavish handbook) this time round? As always at the RA the picture dealers are to the fore—another contrast to Grosvenor with its preponderance of furniture.

The most expensive paintings will be on offer from the top Old Master dealers. Richard Green has a 21m Canaletto and a marvellous soothing landscape by Géricault (both of which were also at Grosvenor House) while Colnaghi displays "The Flight into Egypt" by Sebastiano Ricci, and a strong 18th century portrait of a gentleman by Ambrosius Benson.

The Bury Street Gallery will be maintaining the international flavour with its display of European pictures of the late 19th and early 20th centuries, including works of Boldini, the most famous European portrait painter of his day, and by Wilhelm Hammershoi, the Danish artist, who has been catapulted into prominence in recent years following the

discovery of the charm of 19th century Scandinavian art, in particular the peaceful interiors. Prices will range between £5,000 and £30,000.

Pride of place at David Messum will go to "A Regatta", an Impressionistic scene by Sir John Lavery priced at £32,000. The Newlyn School will be well represented by Stanhope Forbes, among others, and there will be a good show of the Scottish colourists. These are two sectors of the art market which have seen a rapid price appreciation in the last two seasons.

Another is late Victorian sculpture, "Teucer", by William Hamo Thornycroft. A dramatic exhibit at the Sabin Galleries is "Marie Antoinette led to the Execution", a white oil by Henri Martin. "La Promenade" by Martin is typical of the second division Impressionists now fought over as the first rank become too costly.

Christian Schetky was Marine Painter in Ordinary to King George IV. Yet his painting for sale at the Ackermann's stand is of Belvoir Castle from Devon Hill. His marine interest manages to surface with the inclusion of a yacht sailing on the river. One of the Newcastle school of marine artists, John Scott, is also represented with "The Ocean" captured at the mouth of the Tyne in 1831.

That indefatigable exhibitor Johnny Van Haeften, who specialises in Dutch pictures, is showing a Cupp, and a rollicking "baccante" by Herman van der Mya. William Drummond will have for sale a good range of modestly priced drawings and watercolours, plus at least one major work, a portrait of George Keppel, Earl of Albemarle, by Liotard.

Like most dealers Bill Drummond sees the Burlington as a wonderful opportunity to meet potential new customers. He invariably manages to cover the rental costs while at the same time adding to his mailing list some interesting new names. And, of course, old clients drop in for a chat, for advice, and perhaps to pick up an interesting recent acquisition.

There are some dealers who hold back works of art for fairs but most trot out the best of their current stock. This can mean that old favourites from the Grosvenor sparkle again at the RA.

Moore in London in 1703 to commemorate John Methuen who was chancellor of the Irish House of Lords. They are unusual in having detachable feet. Their price is also rather unusual—£900,000. Among the pictures there is a series of elevations of Venice by the 18th-century artist Antonio Visentini, while the oriental works of art include a large 18th-century Chinese wall panel destined for the Imperial Palace.

Bernheimer is presenting continental furniture and ceramics, textiles and oriental ceramics. One of the most important items is a Louis XVI secrétaire-a-battant with the stamp of Charles Topino, one of the few French furniture makers working in Paris during the final years of the ancien régime when most of the leading makers were German. An outstanding piece is a pair of Venetian green painted and gilt doors from the 18th-century which are 252 cms high.

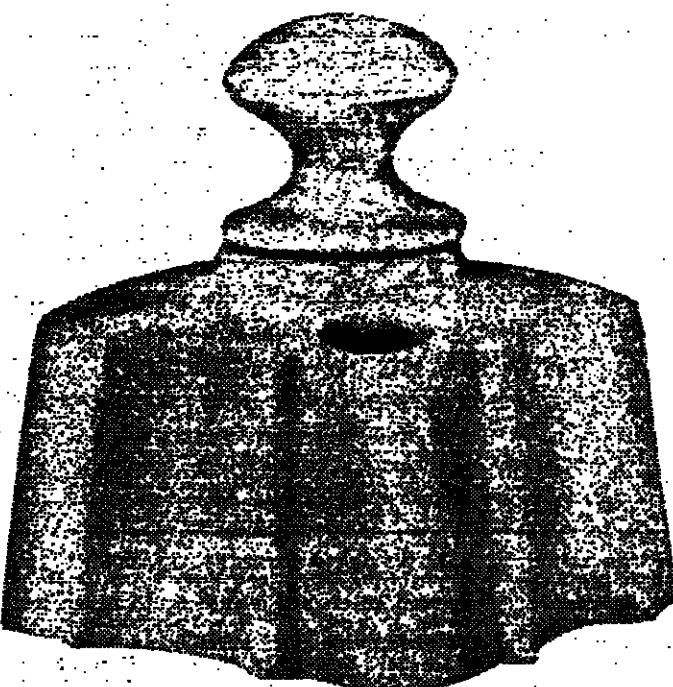
Among the more unusual works of art are Russian, continental and Scandinavian furniture from Tzigany, tapestries from Galerie Chevalier of Paris, and medieval sculptures and Limoges enamels from Peters Oude Kunst of the Netherlands. The Pelham Galleries, specialists in English furniture, is joining forces with Colnaghi, the picture dealer, to present a grand room setting.

Another room, a feature of continental fairs, will be devoted to Tudor artefacts, with Tom Crispin contributing early oak furniture, Jonathan Horne delftware, and Richard Philip

Elizabethan and Jacobean portraits. Although many of the works for sale will be of interest to museums—the Getty was a prominent buyer at the 1985 Fair—there are objects priced in the £200-£500 range, in particular maps and prints at the O'Shea Gallery; silverware from Maurice Asprey; and medical, dental and optical pieces on Harriett Wynters stand, reflecting the growing collectors' interest in scientific instruments.

The Burlington will take place after the best ever season for the salerooms, with record price after record price capturing the headlines and persuading new buyers into the art market. The dealers have been forced to take second place to the salerooms in recent years but in certain areas, such as Old Masters, silver, and specialist sectors like textiles and tribal art, they are still a major force. They are the best customers of the salerooms—and their major suppliers.

The new recruit to antique collecting needs a dealer for advice, support and encouragement. Many will guarantee to buy back the items they sell; many will hope to serve the customer for years. Dealers traditionally talk up the market. The Burlington will indicate whether there is plenty of life left in the present art market boom. All the indications are that, as long as the major world economies maintain their current momentum, the salerooms and antique dealers will be kept in the high style to which they have become accustomed.



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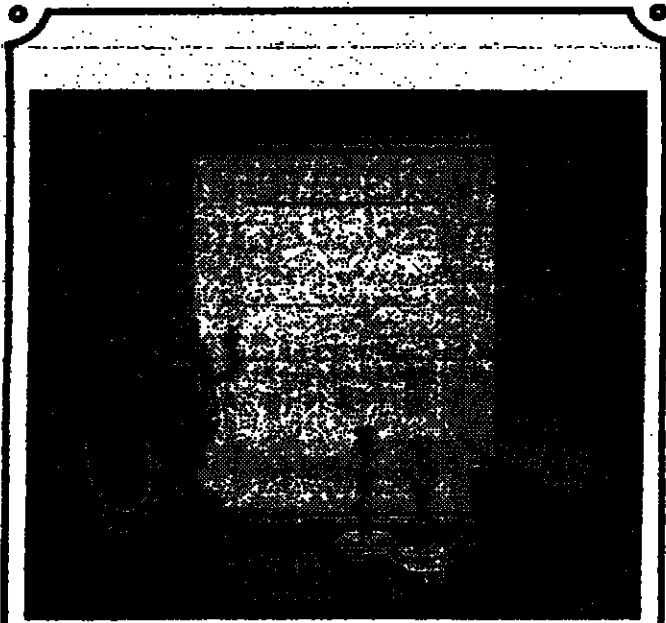
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## BOOKS

Graham Howes traces the big spenders  
to the great Romantic outburst

## Go out and buy

**THE ROMANTIC ETHIC  
AND THE SPIRIT OF  
MODERN CONSUMERISM**  
by Colin Campbell, Basil  
Blackwell, £25.00, 301 pages

TRADITIONAL explanations of consumer behaviour, past and present, usually draw upon two sets of assumptions. One, from classical economics, sees consumers as subordinate to the essential interplay of supply and demand, or, as in Caldwell, as the prisoners of an economic system that depends heavily upon making us acquire things we neither want nor need. The other, more psychological, sees the consumer as motivated by a need to keep up with the Joneses while being helplessly manipulated by a battery of hidden persuaders.

Campbell is rightly dissatisfied with both explanations, and in this thoughtful and densely argued book he not only tells us why, but puts forward a highly original thesis of his own. In essence it is this. Not merely did the Romantic Movement assist crucially at the birth of modern consumerism, but since the Industrial Revolution it has been the "romantic" rather than the "rational" ingredients in our culture (ie, our emotions rather than our material needs) which has provided consumerism with its main dynamic.

His historical starting point, directly echoed in his title, is Max Weber's famous study of

"The Protestant Ethic and the Spirit of Capitalism" in the sixteenth and seventeenth centuries. But instead of seeing, as other sociologists have done, modern consumerism as assisting in the final demise of that Ethic, Campbell argues for its opposite effect. He shows, on strong evidence, that Protestantism, and especially Puritanism, carried within it not only dedicated industriousness and frugal asceticism, but also two powerful strands of "sentimentalism" and "emotionism" which converge eventually into the full-blown concern of the English Romantics for the pleasures of feeling. Their final mutation is into what Campbell calls "the autonomous, self-indulgent hedonism... at the heart of modern consumerism."

As a piece of straight cultural history this can be set usefully alongside the more empirical explanations of the rise of consumerism — class, population growth, technology and entrepreneurship — deployed by most historians. But even here it is a little unconvincing to find the Cambridge Platonists and Jane Austen's "romantic" in Campbell's causal chain than Evangelicalism, Carlyle or Ruskin. He also presumes a little too readily that cultural phenomena (e.g. Romanticism) necessarily shape thought and

action, while it is simply not the case that "only in modern times have emotions come to be located within individuals."

In fact Campbell has disappointingly little to tell us about our own times. Instead he seems content to lead us back to the so-called "counter-culture" of the 1960s and 1970s as the apogee of his Romantic Ethic. This may be so, but it does not really help today's readers to interpret their own consumerism. Perhaps we have already entered a world of "post-modern" consumerism, where, shaped by the media, social mobility and working class affluence, consumerism has become mass consumption and taste has already collapsed into mere fashion?

But best persuasive of all is Campbell's version of modern hedonism itself. This he describes as "covert and self-illusory" and through which "individuals employ their imaginative and creative powers to construct mental images which they consume for the intrinsic pleasure they provide, a practice best described as day-dreaming or fantasising." But do they? Do we? Surely much modern hedonism, however linked to consumption, is not — especially in Mrs Thatcher's Britain — "covert and illusory" but firmly rooted in class, income and community. As Woody Allen — says Walter Mitty of the 1980s — says somewhere, "who needs dreams with a life like mine?"

## Queen bee's sting

**THE LATE MRS DOROTHY PARKER**  
by Leslie Frewin, Sidgwick & Jackson, £14.95, 344 pages

EVERYBODY KNOWS who Dorothy Parker was. She was the sharp-tongued, short-tempered, who said that if all the chorus girls on Broadway were laid end to end she wouldn't be at all surprised. But she was also a bestselling poet and short-story writer, and an envied member of the exclusive Algonquin literary circle.

She was born a Jewish princess. Her father, J. Henry Rothschild, a prosperous garment manufacturer, was also a man of some quality and learning who lived with his wife Eliza, their four children and five servants in a large house on West Eighty-fifth Street, New York.

When Dorothy was 6 her mother died and her father remarried. The stepmother was a "hellfire and brimstone" Christian and Dorothy was sent first to the convent of the Blessed Sacrament and then to Miss Dana's School for Young Ladies in Morristown, New Jersey. At 17 she left home and, with a small allowance from her father, went to live in a boarding house on 108th Street and Broadway.

When she was 24 she married Edwin F. Parker II, an investment broker and a pleasant, shy man. The only snag was that he drank at least one bottle of whisky a day. After he was wounded in France serving in the Ambulance Corps things went so bad that Parker said in another context — from "bed to worse." They were divorced after two years. In the meantime she had become drama critic of Vanity

Fair. Her constant companions were her colleagues Robert Benchley and Robert Sherwood. Their regular lunches at the Algonquin Hotel led to the formation of "The Round Table at the Algonquin" — or, as some called it, "The Vicious Circle." Among the other members were the staff of Menckens' Smart Set; Franklin P. Adams, Alexander Woolcott and Harold Ross; and Edmund Wilson, Donald Ogden Stewart and Heywood Brown.

Mrs Parker was, according to Marc Connelly — one of the many irregular visitors to the Circle — a riveting presence. She spared no one; she could not be bought. But other people could. When she made her "rational" crack about the actress wife of the great Florenz Ziegfeld she was sacked by his friend Condé Nast, owner of Vanity Fair.

Without a regular platform, Dorothy's activities were curtailed but not stopped. She became a freelance. Her affairs were by now the talk of the town. One, with Charles MacArthur, resulted in an abortion. Mrs Parker was found with her wrists slashed but she said that nobody else has conveyed to write: "Razors pain you; Rivers are damp; Acids stain you; And drugs cause cramp; Gums aren't lawful; Nooses give; Gas smells awful; You might as well live."

In the summer of 1926 she went to stay with her friend Sara Murphy in Antibes where she had an affair with, among others, Scott Fitzgerald. Back in New York she continued to pour vitriol on all and sundry. Her second marriage was an Adams-like bisexual named Conrad. This was in 1934 when she had become much admired for her fiction. Hollywood beckoned. Leland Hayward offered her and Campbell a six-picture contract at

\$5,200 a week. It was an offer she could not refuse. She took up residence in the Garden of Allah where Sheila Graham remembers her looking like "a tired Renol... with rather sparse black hair in sticky, looking bangs on her forehead. It was a prosperous — and also a relatively happy — time, for Campbell was devoted to her even though he, too, came under the lash of her tongue. He stuck it for 13 years; they were divorced in 1947.

The relationship lasted until 1963 when one morning she found Alan dead in bed. Her reaction was typical. "Find me another husband," she said to a shocked neighbour. She lived on alone for another 4 years in the Volney Hotel in New York, drunk, depressed, paranoid and surrounded by her dogs.

Edmund Wilson said that she put into what she wrote "a voice, a state of mind, an era, a few moments of human experience that nobody else has conveyed." It is true; and it is her best epitaph. Although Leslie Frewin's account does not have the favour of John Keats's now sadly out-of-print biography nor the authority of Arthur Kimsey's *Twelve United States Authors* study, it is a workmanlike piece of writing, good in detail. It is a pity that he should have chosen to write in a kind of childlike "the elegant English of Rupert Brooke" ("the French Cote d'Azur") but if the reader can gloss over the style the compensations are some interesting background material and a real feeling for the subject.

Geoffrey Moore

## Harking back to nurture

**A GOOD ENOUGH PARENT**  
by Bruno Bettelheim, Thames and Hudson, £12.95, 277 pages

THE FIRST point to notice about Bruno Bettelheim's "guide to bringing up your child" is that it has no index. This is an indication of the tone and stance of the latest work by the celebrated, octogenarian, psychologist who made his reputation healing deeply disturbed children. There are no immediate or definitive answers to the question of what constitutes "a good enough parent."

Indeed, social workers and psychologists in their clinical practice, magistrates and judges making decisions about the future of children in care who may have been ill-treated or neglected by their parents, have been trying for years to find guidelines to the concept.

In the 1960 edition of Dr Spock's baby and child-care you could find a detailed description of childhood rashes and you could also look up pages 330-331 to find out what to do about temper tantrums. The advice that follows is not so different from what Bettelheim dispenses, but then the eye travels to Spock's next paragraph on punishment. Here you see where their approaches diverge. Bettelheim's long, involved discussion of punishment is an integral part of his argument

about the way the child develops concept of self. "The goal in raising one's child," Bettelheim says, "is to enable him, first to discover who he wants to be, and then to become a person who can be satisfied with himself and his way of life." The uncomfortable truth that emerges after reading this wise book is that in order to be a good enough parent you have to be aware of yourself, where you stand and what you want. You then have to see the child as coming from you and affected by you but separate from you. You have to let the child develop at his or her own pace, without putting pressure for your goals, patiently supporting him or her in every activity and phase of exploration. The catch is that all the time children grow up they are not so much listening to what you say but watching what you do. To use the psychoanalytical jargon, they are internalising messages from parental behaviour.

Parents thus take on an awesome responsibility and there are practical problems. How, for example, can they avoid passing on to the next generation the deficiencies of their own upbringing? Bettelheim puts much emphasis on the power and magic of play in human development. Although he is conscious of the way parental roles in Western society are changing, he writes at length (and sometimes repe-

ditionally) about doll play as the way girls especially make sense of the models of parenting they have received and project to the future. Bettelheim urges mothers to look back on their own play with dolls and to join their children playing with dolls, thus re-experiencing aspects of their own childhood doll play and their own mothers' involvement in such play, while simultaneously feeling in themselves "what it now means to be the mother of a little girl who plays with dolls."

What do you do if you did not play with dolls yourself, if your mother did not play with you and if your daughter wants to imitate you by playing with a typewriter? Fortunately there is a way out as Bettelheim never shuts the door on compromise. If I read him right, by playing dolls with your daughter you can make up for your past neglect and did not have as a child and enjoy giving your child an experience you did not share with your mother. And presumably, if your daughter chooses a typewriter, she is developing her own way so that must be all right, too. The answers are neither simple nor totally reassuring but those who read this book will learn about themselves as well as how to help their children.

Sarah Preston



Rab in power: Budget Day, 1952

## Rab's widow

**AUGUST AND RAB: A MEMOIR**  
by Mollie Butler, Weidenfeld & Nicolson, £12.95, 182 pages

"THERE WERE those who admired Mr Macmillan and others who were less enthusiastic about him: I have always belonged to the latter category." So writes Mollie Butler, widow of Rab. When Macmillan was instrumental in preventing her husband from becoming Prime Minister, she vowed never to speak to the former again and almost stuck to it.

This is not a political memoir, however, but a love story for a man who was not a politician. The first is of her marriage to August Courtauld, a renowned explorer after whom a glacier and a fjord were named and who died at the age of 54 after a long, unbearable illness. The second is of her marriage to Rab.

August was the cousin of Butler's first wife, Sydney, who herself died five years earlier. There seems to have been a discreet understanding that Mollie and Rab would eventually come together. "Much is written about young love," Mollie writes, "but love in middle life is like a renaissance and is as strong as anything I have ever known." The larger part of the book is about her life with Butler.

Some of her stories about him may not be widely known. He was apparently capable of carrying a bottle of wine in his trouser pocket without unduly disturbing his apparel. He returned to music played on the gramophone as "that curious whining sound." His favourite form of entertainment was the

circus, to which he and Mollie were always invited to a box at Olympia by the Bertram Mills family. Perhaps it reminded him of politics and the House of Commons.

To Mollie's regret, he had no liking for, nor understanding of, either Jane Austen or P G Wodehouse. One would have thought that Lord Emsworth would have been right up his street. Mollie's explanation is that, as with music, he never had time to appreciate them. He put Keats above Shakespeare and did not share her admiration for Proust, for whom he had no time at all.

These are details, of course, but precious to know about a man who has so far mainly been written about as a politician. The author, however, reinforces perhaps unconsciously — a point that came out in the early part of Anthony Howard's recent biography. It is how different were the social conditions of some of the politicians who began to make their name in the pre-war period.

Rab was not rich, but gained a lot from the Courtauld connections. It became natural to him to have several houses — "All houses in Essex," writes Mollie, "are built by the Courtaulds." He loved shooting. Practically all the members of the family had been connected with Trinity, the Cambridge college of which Rab eventually became Master. Almost everything that he did seemed effortless, even if it was not. Something fundamental has changed in the post-war era. Still, in this case it is the love story that matters and will be remembered.

Malcolm Rutherford

## Fiction

## Nell rides again



Weldon: bright and breezy

**THE HEARTS AND LIVES OF MEN** by Fay Weldon. Heinemann, £10.95, 328 pages

**ANOTHER LITTLE DRINK** by Jane Ellison. Secker & Warburg, £10.95, 217 pages

**SECOND SIGHT** by Anne Redmon. Secker & Warburg, £10.95, 289 pages

**FAST LANES** by Jayne Ann Phillips. Faber, £8.95, 148 pages

FAY WELDON'S new novel *The Hearts and Lives of Men* is a triple-decker, with even a bit of *Brideshead* thrown in. The author is not embarrassed by the sort of outrageous coincidences that kept Dickens in business, and cheerfully dispenses of superfluous characters by running them over with a lorry. She occasionally slips into a dash — Harry Belafonte was never in Guess Who's Coming to Dinner? — and strains a bit when the two leading characters contemplate marriage to each other for the third time. As a dig at the world of fine arts though, *The Hearts and Lives of Men* offers plenty of entertainment, which is all one really wants from a novel.

Jane Ellison provided plenty of entertainment last year with her first novel *A Fine Excess*, and is following it up now with *Another Little Drink*, which does for journalism what the earlier book did for poetry. The plot is loosely structured around a clapped-out writer, currently the subject of a television programme, who has sunk into a well-deserved obscurity, only to be hauled blinking into the limelight when an old play of his is revived and the media discover him for the second time.

It's a nice idea and Jane Ellison has plenty of fun with

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It's a nice idea and Jane Ellison has plenty of fun with

Peter Quennell on a French novelist  
who went among the masses

## Angry accuser

**EMILE ZOLA: A BOURGEOIS REBEL**  
by Alan Schom, Macdonald  
Queen Anne Press, £14.95,  
304 pages

AS THE nineteenth century neared its close, a famous exile great observer and Station — Emile Zola, one of the heroes of the Dreyfus Case, whose only luggage was a single nightshirt wrapped up in a newspaper. His English sojourn lasted 10 months; and, despite the dangers of his public position and the problems of his private life — causing him to leave both the Zola and his sympathetic mistress — he and her two young children — found his visit entertaining.

At home, meanwhile, the great cause he had championed, the vindication of Captain Alfred Dreyfus, a Jewish artillery officer, convicted on forged evidence of selling information to the German military attaché — had made a number of dramatic strides. Colonel Henry, among the case's chief villains, had confessed to counterfeiting an important document and taken his own life; and the Paris Court of Appeal had at last agreed that the case should be reviewed.

In his biography of Zola, a solid yet well-constructed book, Professor Alan Schom, an American historian now resident at Oxford, has rightly devoted many pages to the complexities of the Affair that long divided and embittered French social life, even broke up literary friendships. But the story is always worth retelling — so bizarre are its details and so strange its chief characters. Major Esterhazy, arch-villain and a genuine double-agent, and the enigmatic Major du Paty de Clam, described by Zola as "the diabolical contriver of the judicial error," who had then "defended his shameful role... by the most preposterous and culpable machinations."

Zola's first blow on the victim's behalf, entitled *J'accuse*, published in January 1898, and addressed to the President of the Republic himself, was a tremendously effective pamphlet; but, although it launched an ultimately victorious campaign, not until 1906 was Dreyfus exculpated and restored to his previous rank.

Zola would not witness Dreyfus' triumphant vindication.

He died in September 1902, having apparently succumbed to the poisonous fumes of a blocked-up stove-pipe; but Professor Schom believes that his death may have been organized by his political opponents. The evidence is slight. True, Zola was a much-hated man; and his life was often threatened. The authorities, on the other hand, brought in a verdict of "death by misadventure"; and most of his friends appear to have accepted it. Professor Schom, however, quotes from a French journalist, who in 1953 published a death-bed confession, said to have been made in 1927 by an ultra-patriotic chimney-sweeper. He and a couple of like-minded associates, the builder asserted, had ingeniously blocked the flue.

No Right-wing demonstrations spoiled Zola's funeral, which two squadrons of cavalry defended; and Anatole France, a former literary antagonist, delivered a resounding speech. The novelist, he declared, had "painted life with a virtuous and vivid hand. What appears as pessimism, a sombre humour, found on more than one page, poorly conceals a real optimism, an obstinate faith in the progress of intelligence."

Zola's literary magnitude, as distinct from his public achievement, strikes us as slightly more dubious today. Compared with his old friend Gustave

Flaubert, he appears to have been a powerful propagandist and stern contemporary moralist rather than a true creative artist. His own aims were simple and direct enough. He had chosen the novel, he told his English publisher, "as the form in which to present my views on the social, scientific and psychological problems that occupy the minds of thinking men"; and his first great best-seller, *L'Assommoir*, written at the age of 36, deals with the problem of urban poverty, and with the effect of their miserable environment on a working-class family whom it deems to be drunkards and degenerates.

He sought for huge themes that had a symbolic aspect; and, when he was 49, he embarked on *Le Bête Humaine*, of which the originality, he said, lay in its minute description of the railway between Paris and Le Havre, where the continuous rattle of trains symbolises the ceaseless progress as it thunders on towards the twentieth century. An easier book to read, perhaps because its symbolism becomes a little less portentous, is *Au Bonheur des Dames*, which came out in the early 1880's, and depicts the growth of an immense Parisian department store, that invades a quiet neighbourhood, eats into its fabric, changes its whole character, and ruins and demolishes its traditional inhabitants.



Zola: visitor to London

## BOOKS OF THE MONTH

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## Gardening

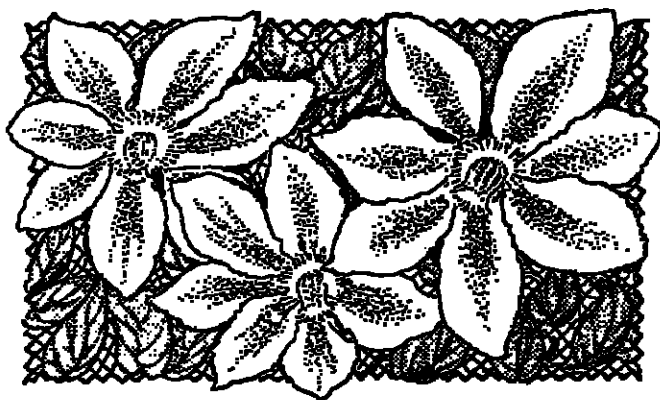
## Clematis rampant

AT THE end of summer gardens can become very short of flowering climbers. Rambler roses have a relatively short season, and even the supposedly perpetual flowering climbing roses do not keep going so well as their bush counterparts. Nor is there much to take their place except the late flowering and long-flowering clematis, which can make a considerable impact at this time of year.

For some weeks now Clematis Perle d'Aur has been making a great display in my garden. It has continued to flower long after the purple-flowered rambler rose 'Vellchenblau', with which it shares a pillar. It is one of the easiest clematis varieties to grow: luxuriant, free-flowering, and not minding in the least if it is quite severely cut back each February or early March. The flowers are light lavender blue, not especially large, but delightful in the mass. I can never understand why it is so difficult to find it in nurseries. High demand is the usual excuse, but surely this should be met with high production? There is no difficulty about propagating clematis with all the mechanical and chemical aids available today.

Nearly all the varieties derived from a wild clematis named *Viticella* begin to flower in August, and continue well into the autumn. My favourite is Royal Velours, with deep petunia-purple flowers of medium size, very freely produced. In my garden it shares another pillar with the old pink rambler rose Dorothy Perkins. This is also August flowering, so for a while both are in bloom together, but the clematis continues long after the rose. Kermesina is similar to Royal Velours; but there appear to be several forms of it around, perhaps seedlings, differing slightly in depth of colour but all beautiful and worth growing.

The best blue in this group is Etoile Violette. There are also several double-flowered varieties — the subject of much confusion both in description and naming. All have fairly small flowers with numerous sepals — the flower parts which in clematis perform the function of petals. One, at least, is very old, going right back to Elizabethan times; but the best to buy now is Purpurea Plena Elegans, sometimes listed as Elegans Plena. The flowers are purple; not a very bright colour,



John Hellyer

but there are plenty of them, and their unusual shape ensures attention.

There are also some larger flowered varieties which continue to flower well into the autumn. One is Ville de Lyon, arguably the best red clematis at any season.

It is much like Ernest Markham, which has two flowering seasons; the first in June, when the flowers are really big, the second in August and September, when they are smaller but more numerous. I grow it up that excellent climbing rose, Pink Perpetua, with which it blends well.

The nearly pure-white Huldine is another clematis that goes on flowering for a very long time. So do the popular iris-purple Clematis Jackmanii, and its variety Superba. Experts say that Superba is the better of the two because the flowers are fuller and the colour a little deeper and redder. No doubt they are correct, but I think there is a lot of confusion between the two in nurseries and that even when the label says Superba it may well be plain Jackmanii.

I am supposed to have both in my garden, but I have never been able to distinguish one from the other with any certainty. There are also some attractive varieties produced by crossing a rather tender clematis from the southern US, Clematis texensis, with garden varieties. All are late flowering, and most die down each winter, sprouting up strongly again in the spring just when one is beginning to fear they have been lost. Most have flowers of rather unusual pitcher shape, usually in some shade of magenta, lighter and more silvery outside than with-

The one I grow at the moment is Duchess of Albany. It is very vigorous, but I have lost Gravetye Beauty, slightly deeper in colour. I think all these varieties have inherited a little tenderness from their American ancestor, and need an especially warm and sunny place.

In addition to these and many more garden-raised varieties there are some genuinely wild clematis that flower late and are well worth planting in gardens. The best known, and a great favourite, is Clematis tangutica, with small buttercup yellow flowers followed by highly decorative seed heads covered in long silken filament.

At this stage it looks like a very refined version of Traveler's Joy or Old Man's Beard, which covers hedgerows in Britain wherever the soil is strongly alkaline. It is frequently said that the best form of this clematis is the one with the awkward name obtusicaulis. This may be true, but again I suspect that there is not much to choose, and that what most nurserymen sell are seedlings — which may vary a little, but not so much as to cause any anxiety, since all are beautiful.

Clematis flammula is a very different plant, making each year an abundance of slender 10 foot stems smothered with very small white almond-scented flowers in September and October. You might think that such a lovely, easily grown plant would be in every nursery, but you would be wrong. This is one to be obtained from a clematis specialist such as Treasures of Tenbury Walls, Shropshire; Fennels of Lincoln; or Fisk's Clematis Nursery, near Saxmundham, Suffolk.

Arthur Hellyer

CHURCHILL'S wartime scientific adviser Lord Cherwell — known as the Prof — and Professor Christopher Hawkes, the archaeologist, dreamed it up over dinner in Christ Church in 1950 — "certainly with the fish, perhaps already with the soup." To convince Oxford University and raise funds took time. But the result was Oxford's Research Laboratory for Archaeology and the History of Art, which opened in 1955 under (now Professor) E. T. Hall, who had been a DPhil student of the Prof's. It was the first of its type in the world and a unique bridge across the then newly discovered gap of the "two cultures," science and the humanities.

It was the pioneer in applying science to archaeology and art history, and the Prof's beloved child has kept its emerald in the eyes of specialists and laymen. Many new methods have been discovered and refined in the two terrace houses in Keble Road.

Thermoluminescence, for example, illustrates the laboratory's inventiveness. It is in fact a solid state physics technique for dating ancient pottery, which the laboratory uses for authenticity tests on pots and figures on behalf of dealers and galleries — and also for assuring the real amount of radiation that people received at Hiroshima and Nagasaki. To get the best price for a Tang figure, have an Oxford certifi-



cate. The authenticity income (about £140 a test) supports research.

Dating, prospecting and analysing have been the laboratory's themes; the results appear in its distinguished journal, *Archaeometry*, and at the international archaeometry meetings, which it began.

Having had no science education, I have been led across the Two Cultures Bridge by archaeological science. It is exhilarating and humbling. Each side has to explain its discipline and its problems so that the other side may see how to help. For example, how may a pottery trade be re-expressed in terms of the relative proportions of trace elements in the clays? By assessing the elements you can "fingerprint"

## Bridge across the cultural divide

Oxford is using chemical 'fingerprints' to investigate the past, says Gerald Cadogan



the clays, and so the pots, and assign them places of manufacture and distribution.

One dating method, for instance, puts pottery samples into a cavity within a cryogenic magnetometer containing liquid helium at  $-269^{\circ}\text{C}$  ("Do not touch") to test their magnetic intensity. Clay retains a weak remanence of the magnetic intensity of the time it was fired. Once a profile has been made of its intensity over the centuries, it can be used to date new finds — in general terms — and so can be another way of checking authenticity.

The proton magnetometer is another Oxford innovation for the archaeologists. Going strong after 30 years, it locates ditches, iron and hearths, and sometimes walls and tombs, which are invisible under the ground. Closely spaced readings give a plan of magnetic anomalies which may then be tested by digging. It is an ideal tool for smooth turf and stone-free soil in Britain.

When the objects have been found, the next question is: where do they come from? And how were they made? Here there is much the eye cannot see. Fingerprinting the chemical composition of pottery and glass — even obsidian, the natural volcanic glass — is done in Oxford by a spectrometer using a nuclear technique (atomic absorption). The method needs a small sample drilled from the core of the object.

X-ray fluorescence (XRF) also detects composition. It is slightly less fine than atomic absorption, but as it pinpoints a spot with X-rays, it does not cause damage to the object —

museum directors prefer XRF. Combined with a scanning electron microscope, it will analyse the different pigments and layers of a painting, or the different enamels in a cloisonné vase.

We reach fascinating and basic questions. How did the Sienese painters know their colours? How did an ancient glazier switch from iron to



manganese for black faience? Or the Swiss make true glass in the 1100 BC to 900 BC centuries? The scientists can now reveal glimpses of what was happening, in technology, trade and wealth; and they show that early people were far better craftsmen than we used to think.

Oxford's AMS carbon dating shows that they were also better

farmers, earlier. Dating the first agriculture in the Near East, or the first domestication of animals, or the first men in America, are all AMS programmes. But AMS is equally a national resource that dates the contents and tissue of Lindow Man's stomach, for example, or the tawny used to re-bind the Domesday Book.

It is not useful after 1500 BC, which means that the laboratory is not besieged by people with questionable Stradivari, but it can help with Chinese silks, and is the only way to date very small samples.

It has dated a Belgian flint arrowhead from the resin still adhering, and a birch bark cup from Germany — a rare find — as 9,000 years old. AMS needs only a tiny scrap. A date costs £300, and 57 countries have sent samples. Oxford's goal is 1,000 samples a year.

Another efficient, accurate service at Oxford is TL dating. TL works on the principle that, as a mineral such as quartz is heated, it emits light. The light represents the release of energy, stored at trapped electrons in minerals. That energy was acquired by absorbing nuclear radiation. Measuring the TL will allow absolute dates, with a margin of error of only about 10 per cent.

TL does wonders for very early man, where carbon dating runs out. It has dated Middle Palaeolithic burnt flint from France to 50,000 years ago, and

Upper (later) Palaeolithic from Morocco to 27,000 years ago. And the method has been reversed to Hiroshima and Nagasaki, where the date of 1945 is known, but the real amount of radiation was not.

Financed by the US Department of Energy, the laboratory measured the TL in the quartz of bricks and tiles a kilometre from the epicentre. That showed how much radiation had been absorbed — more than was first thought. Since the cancer incidence is also known, this gives an empirical relationship of exposure to disease. It could not be more important for working out the risks to nuclear power station workers.

Oxford's TL authenticity testing has worldwide esteem; 15,000 pieces have been tested, 40 per cent of them Chinese. Overall, 40 per cent have turned out to be fakes (because they do not have the right TL for their age). The US and Paris are the best customers; reliable results represent profit.

But one must know exactly what piece is being sampled. Long ago the laboratory decided to see every piece and do its own drilling (in an inconspicuous place). Before that, one shard could be sent in, tested and found genuine. Then it might grow into a pot!

The laboratory is funded roughly half from the University, and half from SERC grants and authenticity testing. Professor Hall and his deputy, Professor Martin Aitken, both



retire in a few years' time. What then for the Laboratory? They wonder how their betwixt-and-between status will change. They are listed under Archaeology in the professional roll and not under Physical Sciences.

As I left the laboratory, a dealer called from Paris about a Chinese terracotta female figurine. He was told: "The lady is good."

OPENS SEPTEMBER 8TH

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## DIVERSIONS

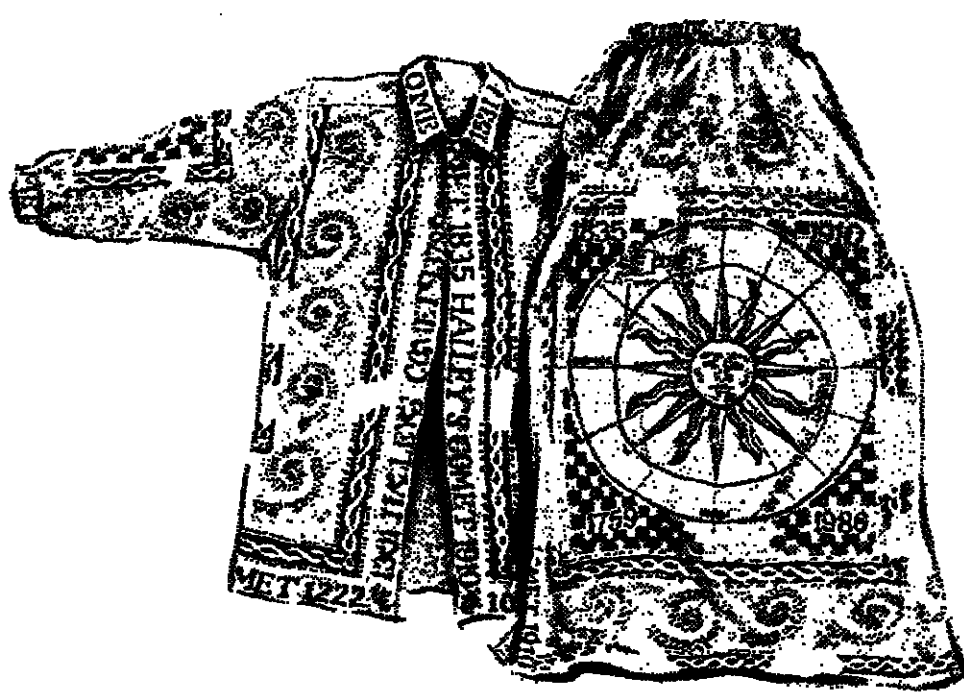
## Eccentric, eclectic and electric



Drawing: Margaret Keedy

Left: A typical Eccentrics textile design — bulls and bears — has been turned into a luxuriously soft silk boxer shorts (about £25). Available, too, in cotton and lots of different prints and colours. Other stockists: Harrods at Knightsbridge and Janet Fitch, 2 Percy Street, London W1. The silk tie (£22) in dark brown and white (many more colours are available) features some of the classical motifs beloved by designer Helen Littman. Also from Harrods, Liberty of Regent Street, Janet Fitch and Paul Smith, 42/44 Floral Street, London WC2.

RIGHT: Pure silk shirt in the famous Halley's Comet print, £120. Can be worn by either sex. I like it best in soft beige, grey and cream but it comes also in other colours. Pure silk shirt, small or medium, in the same design and colourways as the shirt, £120. English Eccentrics shop only.



The trio behind English Eccentrics—left to right: Judy Littman, Claire Angel and Helen Littman



Lucia van der Post

ENGLISH ECCENTRICS, a label that a small group of people have been following ever since it first started selling its memorable fabrics in west London's Kensington Market in 1982, is about to make itself accessible to a much wider market.

On September 5 it opens its own shop at 156 Fulham Road, London, SW3. There, faithful devotees of the English Eccentric style will be able to buy more than just a length of fabric or a scarf featuring Halley's Comet. Silk boxer shorts, sensuously soft evening scarves, ties, skirts, shirts, raincoats, shoes, wrapping papers—anything, in fact, that takes the fancy of the English Eccentrics team. None of them would ever make or sell anything that they didn't want to wear, own, or look at.

It is this highly personal, idiosyncratic approach to design that gives English Eccentrics its strong sense of identity. Formed from a trio of like-minded designers—Helen Littman (textile designer), her sister Judy (in charge of knitwear) and Claire Angel (res-

ponsible for shapes)—English Eccentrics took its name from Edith Sitwell. (It could hardly be more fitting: intensely English, intensely idiosyncratic, memorable, English Eccentrics is incapable of producing anything tasteless, banal or run-of-the-mill.)

Today, English Eccentrics oversees everything from the first design of the fabrics to the finished product. The result is as strong and clear an aesthetic entity as I've seen anywhere.

It uses only the finest fabrics (usually silks or cottons, but some linens as well), and its attention to detail is painstaking. Anybody wondering what on earth all this is about should hurry along to

the shop. It is a superb source of presents for men: the range of pyjamas, shirts, boxer shorts, ties, handkerchiefs and scarves, manages to be at once original yet not alarming; looking new, and yet retaining vestiges of classicism. I think they will be a wow.

For women, look out for the soft silk skirts and shirts, the huge silk scarves in magical

prints and soft colours, for soaps and wrapping papers and fabrics by the yard. Design enthusiasts will be interested in the shop's interior. "Imagine a black and chrome shop on an ocean liner which sinks, and then, years later, is washed upon the

shore," is Helen Littman's description of the effect Oliver Lockell has achieved. Those who can't make it to the London shop might like to know that English Eccentric clothes are also sold through Cruise, 89 Rensfield Street, Glasgow, Scotland; Pierrot, 2

The Square, Richmond, London; Shrimp, 6 Baker Street, Weybridge, Surrey; Trapeze, 50 Regent Street, Cheltenham; Lisa Sterling, 21 Bridge Street, Chester; and Willy's, 15 Lower North Street, Under the Iron Bridge, Exeter, Devon.

## Food for Thought

## The replete angler's fare



was placed before him in dismay, and wondered if someone was playing an elaborate practical joke on him.

His point, if I may paraphrase it, is that if you are going to stand chest deep in the turbulent waters of the Spey, pounding out the Stora's Tail 20 or more yards with the old 15-footer, you need more than a sliver of spam, a few lettuce leaves and a Twix bar to do it on. You need—well, what do you need?

I would contend that the first thing you need is a drink. A couple of bottles thoughtfully popped into the river before kick-off or a few tins of beer treated likewise, can do wonders for the shattered morale.

Then, failing the chateauforties steamed in butter in the sensibly provided frying pan over a small fire, turn your attention to the morning's catch. "The morning's catch," he says lightly. "Ah, fools, I, too, have had my hour." Two brace of wild brown trout before midday and nothing under 14 ounces.

It is a sad fact that the trout eaten within two hours of being caught is a different mouthful from that which is eaten even four hours later. 24 hours, later. Those of you who want to find out just how



sweet and toothsome a trout can be will have to catch it and cook it there and then, frying or baking it beside whichever river, burn, loch or lough you choose. Such practice is probably frowned on along the manicured reaches of the Test and Kennet, so get thee to the wilder shores of the North and West.

Failing chateauforties and fish which has been known, we are forced to desperate straits. However, the true gourmet fisherman will not be dismayed. He will cheer his despondent companions by extracting from a bag half-a-dozen or so lamb chops, a kidney or two, and a chicken's thigh for the delicate ones of the party. A carefully constructed fire, a bit of chicken wire and, hey presto, the rustic barbecue.

In a trice, the lamb chops

will be a heavenly charcoal black on the outside while raw and bloody within, the kidneys will be reduced to superballs and the chicken's thigh—I think the chicken thigh fell through the chicken wire.

So you might not be into carbon, blood and rubber. The sensible fisherman will have covered himself by bringing a pie, a large pie, can you? Good, solid fare, pie. As long as there's enough to go round, that is. Solomon couldn't come up with a satisfactory solution to the great last-piece-of-pie problem. But at least we've laid the foundations, for here is the nub of the problem.

What outdoor sportsmen need above all is bulk, something that will sustain him or her through the long watches of the post-eating period before the next meal. (The same is true of breakfast, incidentally.) At a pinch, a cold chicken might do instead of the pie, but forget about anything less. A tomato or three is all the vegetable garnish you need.

Then, while your digestive system is reeling from the pie, better it into submission with a dose of fruit cake, not the grit and gravel commercial variety, but the rich-and-fruity, heavier-than-doorstep variety, baked by caring spouses. Finally, I recommend a good sized lump of fudge from the Toffee Shop in Penrith and a sing of malt Scotch in place of the coffee and petit four.

Now, where's Moby Dick?

Peter Fort

TELL MOST people that the pressure has got too much for you and you're going off to a retreat and they will look at you in surprise. Retreats are generally thought to be silent monastic cells. Indeed, some are.

Others, however, have been quietly changing their image, which may explain why the National Retreat Centre has been getting an increasing number of inquiries. Although essentially for spiritual reflection, many now also offer painting, poetry weeks, yoga workshops, arts and crafts.

But the main thing they offer is time and space to over-

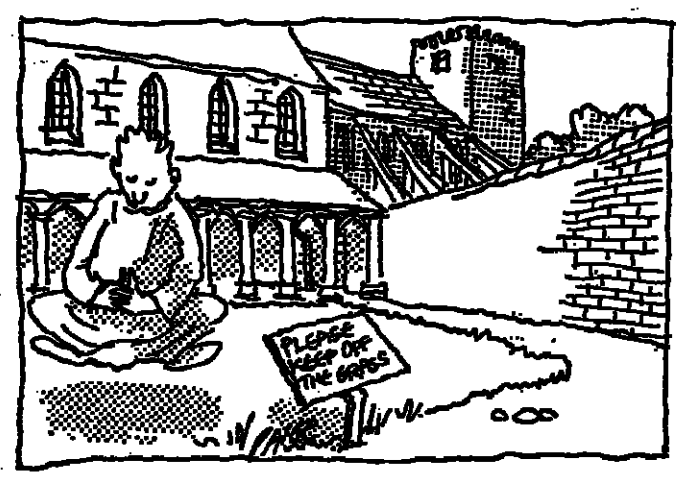
worked executives in peace. Their advertisements in Vision, the journal of retreats, have quite a range. One in Windsor offers a drop-in day (where you can "walk into quietness, relax and contemplate in the silence, or read, draw, write and pray, and be at peace").

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Whether you go for a Quiet Evening or Quiet Day, a weekend, or a week is up to you; so is your choice of an Anglican, Catholic or Methodist Retreat. There are now over 200 retreat houses and centres in Britain.

I wanted somewhere not too large, within a couple of hours' drive from London. The National Retreat Centre suggested the Priory of Our Lady of Good Counsel, at Sayers Common in West Sussex.

Turning off the busy Brighton Road to the green countryside around the Priory was calming in itself. The priory community, although a 14th century order,



only moved to the newly-built monastery and pastoral centre some ten years ago. But the strikingly modern buildings, of glass, wood and bricks, including a church in the shape of an oak house, blend into the setting curiously well.

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behind her; there was no lock or key in it, no sound to be heard anywhere.

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I was asked if I would like to see the library which I half anticipated would be full of

monastic tracts. I was wrong. The books ranged from Alice in Wonderland to Dick Francis and I settled there happily.

Lunch in the high-ceilinged dining room, cooked by the nuns, was served by two young German women who do so in exchange for English lessons from the budget-minded nuns. It was mid-week and whereas the weekends are often booked up with groups, there were then only three other people staying at the retreat.

One young man, a graphic designer, had come for a week to get over a spell in hospital, to get his thoughts on work back together again. There was a woman, a doctor, who came there for ten days every year. And there was a businessman, who lived and worked in Surrey, who had just come down for the day.

"I come here about four times a year," he said. "I get to the point when a day here is the only thing that saves my sanity. I find the atmosphere incredibly tranquil. I get here about 9 am and can hardly wait to turn in the gate." He had spent most of the morning walking: the Priory is set in the midst of farming land.

After lunch three of us drove up, inappropriately perhaps, to Devil's Dyke, high up on the

downs. Returning, we decided to go to the Priory church. "I'm not particularly religious," said the businessman, "but somehow it ends my day: it's uplifting, the singing of the nuns and the amazing shafts of light through the slats."

The graphic designer said that the first retreat he had been to the previous year had been a much larger one; there was sometimes country dancing in the evenings, and he had been taken back to be asked to dance by a nun.

Evenings at the Priory are quietly spent in the TV room, the sitting room, or your own room. You could, of course, go out, but there is no point in going to a retreat if you treat it as an hotel. It's for solace of the spirit, not social outings.

Having gone there in my usual exhausted state, I came back to London considerably rested, intent on making a return visit. To keep me going meanwhile, I bought a stock of the nuns' lemon balm tea, "For nerves, nightmares, fever, and calming the mind."

● The National Retreat Centre is at 24 South Audley Street, London W1Y 5DL, 01-493 3534. The Priory of Our Lady of Good Counsel is at Sayers Common, East Sussex, West Sussex BN6 9ET. Hurstpierpoint 832901. Daily cost, full board, at the Priory, £12 plus VAT. A stay of at least two or three days is preferred.

Joy Melville



Lady Florence Hardinge

## So few wooed by so many



I DON'T know how many high-flying women there are who go short of time in which to spend their "telephone-number" salaries, but never before have so few been wooed by so many. They are the Number One target for a wide variety of up-market shops and fashion consultants who see them as a forlorn band, over-paid but under-dressed—able to read bottom lines and discuss reverse take-overs but unable, poor dears, to choose a decent skirt.

From Wardrobe's Suzy Faux, to Harrods' newly-appointed wardrobe adviser, from Options at Austin Reed to Caroline Charles own shop in Beauchamp Place, hours and services are being tailored to take account of busy women's needs.

Newest help of all, though, is the computer. (I can't help asking: what took it so long?) It took an ex-City high-flyer, accustomed herself to bottom lines and scrip issues, to see where the future lay.

Florence Hardinge is a chic charming Frenchwoman who worked in the Royal Bank of Canada and married Lord Hardinge, then chairman of Orion Bank. She knows all about the pressures and problems of busy working lives. She found, when she worked at the bank, that she had great difficulty in getting her wardrobe together, and she noticed that most of the women around her weren't dressed as well as she felt they could be.

It wasn't until she found herself widowed, and without a City job (she left to be with her husband when he became ill) that the idea of a computer-based fashion consultancy occurred to her.

The idea behind the consultancy is that, with an annual charge of £125 a year, she offers a preliminary personal advisory session at which she gets to know the client a little and takes down details of measurements, life-style, dress style and what kind of help might be welcome. After that the customer can ring up at any time and say: I need a little black dress, or a new winter coat, and knowing her measurements, preferred style of dressing, and personal good and bad points, the computer will throw up suitable little black dresses or new winter coats. It will give the price and check on its availability.

In the course of my test-case consultation we tracked down a little black dress suitable for women of 5 ft 2 in who aren't as thin as they would like to be. The answers came from

Tracked down by Lady Hardinge's computer—a sleek city suit for winter by Jean and Martin Pallant.

Caroline Charles in Beauchamp Place, Roland Klein in Brook Street, Jean and Martin Pallant in Thames Ditton, and Arabella Pollen on the Avonmore Trading Estate.

For those who really are shorter on time than money, Lady Hardinge offers many ancillary services. She will come to the office, organise deliveries of clothes, arrange viewings of Paris couture collections on a video, and deal with subsequent orders and fittings. All these services are extra, but up to six consultations a year are included in the basic £125 a year charge.

If you are short of time, have a four-figure sum to spend on your clothes, and would like help and advice, then I can hardly think of a more sympathetic person to go to than Florence Hardinge. Contact her at 5 Somerset Square, Addison Road, London W14 (Tel: 01-602 8632).

For those who have designer tastes, but aren't earning "telephone number" salaries, London Clothesline may be more their line. This, too, is computer-based and for a yearly subscription of £36 a year you are sent eight or 10 times a year, a computer print-out of what designer label clothes are available where—at less-than-retail price.

Into the computer go all the details of where cut-price designer clothes can be bought, whether showroom samples, end-of-lines, or simply excess production.

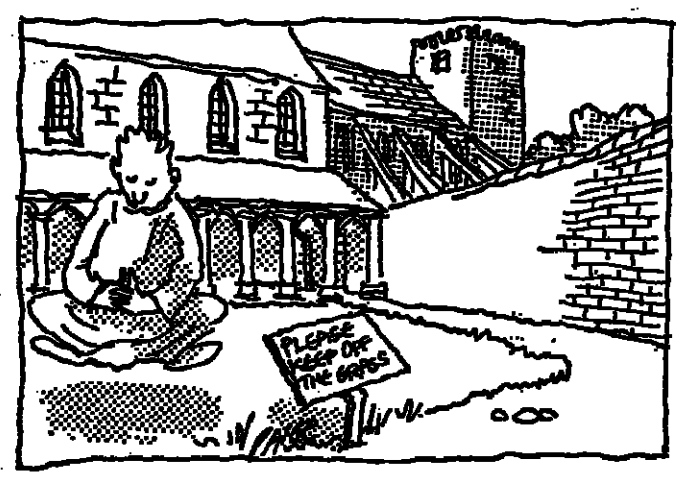
In addition, if you have fallen in love with, say, a Jean Muir, and simply can't afford the full retail price, then for a search fee of £12 a time the London Clothesline will do a special search for you.

Normally the clothes on the print-out are available at prices which work out about 50 per cent cheaper than usual retail prices. So, if you're lucky, you ought to be able to recoup the annual subscription with your first lucky buy.

If you think this could be the answer to your fashion needs, contact The London Clothesline at PO Box 93, London SE23 3XS (Tel 01-281 4378).

L v.d.P

## Time to sound the retreat



worked executives in peace. Their advertisements in Vision, the journal of retreats, have quite a range. One in Windsor offers a drop-in day (where you can "walk into quietness, relax and contemplate in the silence, or read, draw, write and pray, and be at peace").

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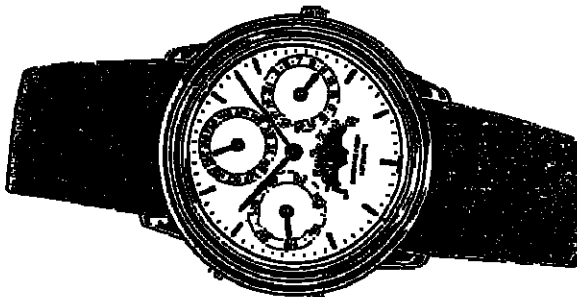
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## THE PERPETUAL CALENDAR



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## • DIVERSIONS • ARTS •

Nicholas Woodworth on Henri Matisse, who influenced art from hotel suites

## Rooms with views



Left: The Hotel Regina in Nice, where Matisse lived. Right: Detail from his 1926 work, "Decorative Figure on Ornamental Background"



HIGH OVER a sea too blue to be English, in a sunny land that was never part of Empire, stands a palace built for that most imperial monarchs, Victoria. British royal crowns embellish its woodwork and plaster; tiered ranks of palm trees stand guard at its entranceway; marble staircases wide enough for a draughtsman rise from its huge central hall.

But Victoria never ruled from here. Instead a rotund little man with a white beard, unable to walk, reigned from his bed.

Never was court so unroyal. The invalid's only courtiers were the masks, vases, statues, paintings, gourds and jugs he carefully arranged around him. His sceptre was a six-foot-long bamboo pole with which he drew on the walls surrounding his bed. He exercised power only on images painstakingly created from oils and bits of coloured paper. Henri Matisse's rule extended from the palace throughout 20th century art.

Matisse took up residence in the Hotel Regina in Nice in 1938. Built at the turn of the century when, for her health, it was feared that Queen Victoria would have to spend entire winters on the Côte d'Azur, the palace subsequently became one of the most lavish hotels along the French Mediterranean coast. The Regina, for decades, was a temporary home for a large number of upper-class Europeans spending the winter "season" here, and it was here that Matisse, in magnificent style, received his guests in his grand old hotel. He had come first to the south of France as a young man, at the turn of the century. A northerner from grey, rainy Picardy, he was bewitched by Mediterranean light. In the fishing ports of Collioure and St Tropez he began upon what he later called his "rediscovery of expression in colour." His exuberant style of free brushwork and imaginative use of bright, complementary colours, so shocked the critics that they christened the followers of the

new style "fauves"—wild beasts. Fauvism—the first avant garde art movement of the 20th century—was only a first step for Matisse in developing the style for which he became well known. Retaining throughout his life a fascination for colour and light, he disciplined his brilliant palette, and by the First World War had largely abandoned seclusion in favour of secluded interiors. "What I dream of," he wrote, "is an art of balance, of purity and serenity, devoid of troubling or depressing subject matter, an art which could be... a soothing, calming, influence on the mind." It was Matisse's genius that, using the hotels of Nice, he was able to transform what might have been an anaesthetic art into great art.

Moving from one place to another, living out of a suitcase, he discovered that the impersonality of rented accommodation provided the perfect setting for the making of his personal, placid, unreal world. Nice's hotels also gave him an

ideal environment in which to reconcile the two artistic imperatives that dominated him: the portrayal of intimate subjects—usually female nudes—and the creation of an art form that was abstract and decorative.

Matisse posed his serene nudes in plush interiors. Luxurious fittings and fabrics provided an abstract complexity of colour, line and texture. Of the Hotel de la Méditerranée, a sea-front hotel (today undergoing renovation), he wrote: "I stayed there for four years for the pleasure of painting nudes and figures in an old roccoco salon. Do you remember the way the light came through the shutters? It came from below like footlights. Everything was fake, absurd, terrific, delicious." (So much was going on on the "Framed" design Angela outside that sometimes the only way he could keep his models still was to allow them to pose standing at the window.)

Like Renoir, whom he

admired and occasionally visited in his nearby home in Cagnes, Matisse was preoccupied with the female form. While interested in portraying its substance—he admirably compared the breasts of Antonette, one of his favourite models, to "two litre bottles of Chianti"—his real challenge was to capture through it "the ideal and the particular" in the personality of his model.

He wrote, in 1939: "The emotional interest aroused in me by them does not appear on their bodies or often in the lines or special values distributed over the whole canvas or paper, which form its complete orchestration, its architecture. It is perhaps sublimated sensual pleasure, which may yet be perceived by everyone." Perceived or not, Matisse's work contains a degree of harmony and beauty that comes only from some sort of inner transformation.

A virtual invalid in 1941, after an abdominal operation, Matisse moved out of the Regina in 1943 when it was feared that the Allies would bomb Italian-occupied Nice. In 1949, at the age of 80 he moved back into its large high-ceilinged rooms for a final four-year stay, to design the crowning achievement of his life, the Dominican Chapel of the Rosary.

Working from his bed, he designed everything—down to the silver chandeliers—to scale, using his six foot pencil to draw the walls around his bed. The Chapel was built, and may be visited, in the nearby hill town of Vence.

Matisse and his menagerie have long gone from the Regina, now home to a few elderly ladies who took rooms there when it ceased to be a hotel. The only tropical plants are a few tired-looking cacti in a dusty, glassed-in palm court.

The Regina will have a facelift only when it is developed as a co-operatively owned apartment building, but its calm elegance may still be found in the serene realm created on canvas by Henri Matisse.

probably be better. We are going to look terribly expensive in contrast."

Both he and William Jackson, of the long-established The Scottish Gallery, feel the quality of the galleries taking stands is important. This year there has been no independent vetting committee for Art '87. But to Nicholas Treadwell, another veteran of the art fair circuit, it is a big pity that the fair at there is no vetting committee. "Dealers tend to look after their own interests," he believes one reason why there was no art fair in London for many years was that Cork Street thought it was a fair of its own. London needs a well-organised contemporary art fair, and art fairs need to be electric.

He welcomes FEA as enthusiastic newcomers, and has given the fair his full support. "I don't have great faith in the first of any art fair, and few exhibitors will probably get their money back. But there is always a chance that it will lead to something really necessary and important. Look at the Paris contemporary art fair. I went along to the first fair in 1974—it had a steady venue and a lot of little commercial galleries. Today it has more visitors than any other art fair in the world. Last year 120,000 people went, including the president of France."

Will Mrs Thatcher be attending Art '87? The fair is on at the Business Design Centre, Islington, Thursday, September 10, 11 am-6 pm, Friday, September 11, 10 am-6 pm, and Saturday, September 12, 10 am-4 pm. For a complimentary ticket telephone 01-900 1234.

Susan Moore

## The house of blood



Christopher Lee's immortal 'Dracula'

ALTHOUGH Hammer Film Productions was officially formed in 1947, its origins go back to 1913, when a young Spaniard named Enrique Carreras, whose family had settled in London after years of trading in tobacco, bought the first British maximum audience capacity cinema in Hammersmith, which he called "The Blue Hall," setting in motion a number of "firsts" which were to continue throughout the years to come.

Carreras, aware of a war-weary public hungry for entertainment, seized the opportunity to build a chain of "Blue Halls" in London and Brighton.

Meanwhile, somewhere on the boards, again in Hammersmith, a little-known comic was trying out a double act. William Hinds, working under the stage-name of Will Hammer had teamed up with a partner, predictably called Smith.

Although Carreras and Hinds had spent a great deal of their early working lives in Hammersmith, it was not until the mid-thirties that fate decreed they should meet, and from what at first glance seems an unlikely liaison, a partnership was sealed.

After a disastrous flirtation with a toothpaste venture which left him bankrupt, Enrique Carreras formed Exclusive Films, a distribution company. When Hinds joined him in 1935, initially purely as an investor, the former was busy showing a collection of American Westerns (very unusual in those days for a British company) as well as a number of prestigious Alexander Korda reissues.

Although Hammer Film Productions was not officially registered as a company until after the war, both men had already decided that they would commission their own productions, as low-budget supporting features. Hinds subsequently contributed his stage-name, Hammer, to head these new ventures so that the two divisions would not be confused, and therefore, technically, the first Hammer film seen in Britain was in 1935 and called *The Public Life of Henry Ninth*, a send-up of the historical Charles Laughton classic, and was Sir James Cagney.

The *Mystery of the Marie Celeste* followed in 1936 and in the same year the most successful pre-war Hammer production *Song of Freedom*, starring Paul Robeson, with Will Hammer himself taking a small role.

When the companies reformed, it really was a family affair, with Enrique's son James, a Lt-Col in the Army (and now Sir James Carreras), William Hinds' son Anthony, destined to become producer and writer of many future Hammer successes, and later on, Michael, son of James.

James Carreras had many of his father's qualities. A salesman who learned early to give the public what it wanted, he tackled the task ahead in a simple, yet effective way. Hammer needed second features so why waste time hunting around when a market existed which was already successfully established.

During the post-war period, the British public were glued to their wireless sets, enjoying programmes like *Dick Barton, Special Agent, P.C. 49*, and *Life with the Lyons*, so that when Hammer decided to commit these characters to film, the greedy audiences were able to indulge themselves visually in the adventures of their favourite heroes.

James Carreras swears to this day that the second feature brought the people in. He remembers when *Dick Barton* was showing alongside *Robin Hood*, starring Errol Flynn, and a long queue formed outside the Tivoli in the Strand. "As they watched the main feature, the audience was quiet and appreciative, but when the *Dick Barton* movie started, a great cheer went up, and you could tell which one they were there for."

With the now enormously prolific output emerging from Hammer, Exclusive slowly

wound down, making room for films which were being produced in sometimes no more than two weeks, with budgets as little as £40,000. But for the steadily expanding company, the turning point came in 1935, when James Carreras decided to take another major success from the BBC, this time the sensational *Nigel Kneale* TV serial, *The Quatermass Experiment*, which, when released, gave the company the international recognition it had deservedly earned.

*The Curse of Frankenstein* in 1957, the first British horror picture to be made in colour, cost £70,000 and grossed £2,000,000, as did the other

bicycle accident. Anthony Hinds had retired, as had James Carreras, leaving his son Michael with perhaps the most demanding and turbulent years of the firm's history.

When film experts refer to Hammer, they either draw a veil of melodramatic secrecy over its last days of feature film production or they don't mention it at all. The truth is simple. Hammer went broke. For a company which had never rested on its laurels, but kept ploughing back its resources into more production, and had once naively—and in retrospect, misguidedly—borrowed from the National Film Finance Corporation and repaid in full, it was a humiliating but nevertheless unavoidable experience.

Even the innovative mind of Michael Carreras could not compete with the 1974 financial crash which almost destroyed the British Film Industry. Nor the television audiences which had doubled since the sixties. Also, there were changes within the genre itself. Gothic was out, realism in, and neither Dracula stalking the King's Road nor a powerful Dennis Quaidy plot could challenge American frighteners like *The Texas Chain Saw Massacre*.

In 1980, with the collapse of the last Hammer picture, *The Lady Vanishes*, a well-known industrial company's pension fund which had been its major investor, moved in dramatically claiming the negative, rescinded the loan, and the company was left with a massive loss. Since then, the company has been run purely as a television concern from Elstree, by two ex-pen-pushers, although an announcement in *These Times*, a few weeks ago, declared their intention to return the logo to the cinema screen.

Meanwhile, Michael Carreras (who naturally has a son in the business) is also keeping an eye on the ever-changing market, with a view to risk-taking in the ashes, which poses the distinct possibility that the names of Hammer and Carreras could well end up in competition. Something which grandfather Enrique would never have envisaged but more than likely might have appreciated the challenge.

ANN MANN looks at Hammer Films, which has just had a retrospective television season

gothic triumph "Dracula" in 1958, starring Christopher Lee as the most charismatic Count ever.

Hammer's name was now synonymous with horror and would always remain so. It had become the first British company to make a distinctive type of film which started a world cycle, and it had crashed the American market so successfully that Hammer were making pictures for all the major US studios. In 1968, they received the Quaker award to *Indecent Exposure*, their second production, in which they had brought £1,500,000, in dollars, into the UK per year.

Throughout the sixties and seventies, it seemed that they were as invincible as Dracula himself, and in 1971 reached their peak production period, with 10 films completed within 12 months. But nothing lasts for ever, and the cosy family firm was breaking up. The two old pioneers were dead. Enrique Carreras died in his bed, while William Hinds, the man who always preferred music hall to motion pictures, killed in a

## Art for the executive

BUSINESS ART has come a long way from anodyne boardroom portraits and limited edition prints in clip-on frames. When the Barbican Art Gallery presented "Capital Painting" in 1984, the collections belonging to City institutions came as a revelation to most visitors—not least the extent to which contemporary art is being commissioned and collected.

Over the past decade, more and more businesses have become aware of the promotional value of art, and its role in the creation of an appropriate business image. It is all before the sale of Van Gogh's *Sunflowers*, who had heard of the Yasuda Fire and Insurance Company?

On Thursday, a three-day contemporary art fair, Art '87, opens at the Business Design Centre in Islington, north London, the first such art fair aimed specifically at the business community. Its organisers, FEA Communications, has no experience in the art world. Its approach has been to target the market carefully, identifying 20,000 potential clients from 2,000 corporations, city institutions, the service industries, and architectural and design practices. Named invitations were sent out. Six hundred contemporary galleries were approached.

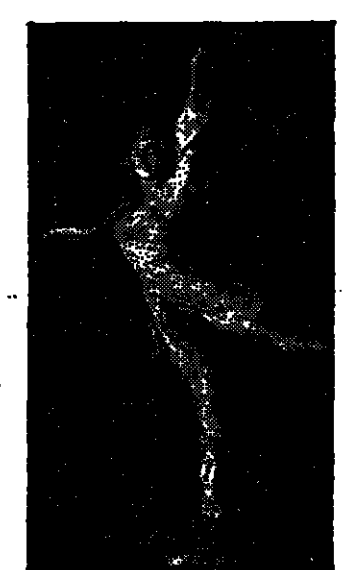
They offered exhibitors an excellent venue, space, high quality screens and lighting, and a catalogue that will serve as a reference book. Its introductory essays cover the rationale behind corporate art, the work of the Public Art Development Trust, and recent examples of developers' art, such as the jazzy Hammersmith Man leaning out of a pigeon-caroline House to wave at

bored commuters. "Our job is to make it easier for those companies who have considered buying art but who do not have a relationship with a particular gallery," explained Lorraine Hall, of FEA. "Visitors will see a wide range of contemporary work, from watercolours and oils to silk hangings and sculpture. If we could not have offered such a wide variety, we would not have gone ahead. It would not have been in our interests, or the galleries'."

Her overriding difficulty was not in persuading gallery owners that the fair was a good idea but persuading them to come off the fence. The cautious response of many leading dealers was to say that they would wait and see who took a stand this year and then decide about next year.

With a modest 35 exhibitors, Art '87 is still larger than this year's Bath Contemporary Art Fair, which had record attendance. The International Contemporary Art Fair at Olympia is not taking place this year. Islington exhibitors range from well known West End names to new or provincial dealers, and even artists themselves. For the three galleries coming down from Scotland the fair provides a useful shop window.

Diana Springall, who has made a number of decorative textile wallpanels and hangings for corporate clients, feels that it provides an excellent opportunity to advertise and meet



"Dragonfly," a sculpture by Tom Merrifield to be shown at the Art '87 fair

clients. People can just come and look.

Many of the galleries already have established business clients. The oldest specialists, Business Art Galleries, was set up by the Royal Academy in 1978 as a means of promoting contemporary British art to companies. Now independent from the RA, but still with close ties, and from new premises in Windmill Street, the gallery offers advice on commissioning, regular exhibitions

and a rental scheme with an option to purchase.

"Selling art to businesses has only recently acquired a respectability," commented Kathryn Bell. "Art galleries in this country are beginning to come round to the idea of corporate clients." The turning point in the business came in 1982-83 when the gallery's turnover doubled. Now it has 1,000 business clients.

The new art-speak reveals that British attitudes are catching up with American practices. The era of "corporate art" and the "art consultant" is upon us. But while an American company would automatically appoint an art consultant adviser and a designer when building or refurbishing an office, there is no regular procedure in this country. About 80-90 per cent of the people Lorraine Hall contacted had no idea who was responsible for buying art within their company. The responsibility may rest with the man who buys the photocopying machines, or with the personnel manager or company lawyer, or is a decision made by the board of directors. Business clients often become private clients, and the fair is also catering for private collectors.

Bernard Jacobson is the only dealer from Cork Street, the core of the contemporary art trade, to take a stand at Art '87. "It's a great shame that no other Cork Street galleries are represented," admitted the gallery's Timothy Taylor. "The impact of the fair would be far greater, and the quality would

## Clive's curiosities

IT WAS an odd sequence of events that brought the finest collection of Indian artefacts in Britain outside the Museum, to Powis Castle in Welshpool on the Welsh Borders. It involved, on the one hand, political patronage for an ambitious multi-millionaire and, on the other, the settling of debts for an old aristocratic family. Robert Clive (Clive of India) was the rich man, the Earl of Powis the impoverished aristocrat. In the next generation, Edward Clive (Robert's son) married Henrietta Herbert, the Earl's daughter, so that, nearly enough, the families ended up united by marriage rather than by indebtedness.

The treasures that make up the Clive Collection were amassed by both father and son, as well as by Edward's discerning and cultured wife who appears to have revelled in the culture of the country in which she found herself. The tale of Lady Clive and her daughters' journey to Seringapatam to see the relics of Tipu Sultan's capital, thanks to her husband now firmly in British hands, is of a royal progress. There were 750 people in the entourage and the harp and the pianoforte went too in order that the young ladies could practice their music on the 1,000-mile trek through southern India. Her husband remained in Madras, where he was governor.

The display at Powis takes the form of cabinets of curiosities which is perfectly suited to the nature of the Clive Collection, mostly small objects of great intricacy. By filling the

cabinets with ivory games, scabbards and hookahs, textiles and paintings, the visitor is given a glittering view of the level of Indian craftsmanship, as well as a glimpse of the great affluence of a figure such as Tipu Sultan.

There are also, in the pages

of an excellent catalogue, insights into the social habits of the Indian nobility. Once the pan set appeared (that is, the apparatus for preparing the betel-nut digestif) the signal had been made that the guests should consider their departure. An interest in the arte-

facts of the country, then, could also help with etiquette.

Although the majority of the objects on show are Indian made, there is also a selection of European works of art, including a Sevres set of cups and saucers, presented on a visit by Louis XVI's representative. Tipu Sultan remained in close contact with the French, wishing as much as they to see the English out of India, and was made Citizen Tipu for his pains. When Edward Clive routed him at Seringapatam in 1799, however, these connections were of little assistance. Even the jewelled snail from Tipu's throne, in the form of a tiger's head, fell into the hands of Clive.

The cabinets in which the Clive treasures are displayed have been specially designed, carved and painted with the motifs of the Anglo-Indian (or Hindoo) style. They are taken from Daylesford and Sezincote, the two great English country houses in that style. Alec Cobbe's designs give the collection a coherent form; you feel as if you are entering an Indian miniature. The detail is painstaking and even the glass in the cabinets is handmade.

From the moment the Clives inherited the Powis estates, the Indian collection seems to have been on display. A visitor in 1809 was taken aback by one exhibit—a model elephant in full armour. The elephant is no



## Machaut to Wolpe

THURSDAY'S double instalment of the Birtwistle-inspired South Bank festival was exemplary: athletic, toughly intricate music with hieratic airs, just what you'd expect Birtwistle to admire. It left room for a clever piece in a more subjective mode, Anthony Payne's *Alleluia* and *Hookahs*, which carried instant conviction. The latest of the festival's commissioned reworkings of Machaut's "Requiem David," it draws Machaut's lines into modern patterns, studded with choral hallelujahs like romantic fanfares.

These invited Machaut-exercises have been continually inspiring, for composer after composer has responded in best form. The South Bank organisers must find time to assemble them in a single concert: it would be exciting, and much more substantial than the Russian Five's collaborative variations on "Chopsticks," or the *Eventail* de Jeanne ballet

to which Ravel, Roussel and some of their juniors contributed. By current standards, at any rate, strenuous ingenuity is more fun.

Payne made sterling capital of the ensemble allotted to him, the quintets of reeds and of brass who were on hand for Stravinsky's postwar Mass. Andrew Parrott conducted the Taverner Choir in a tidy, slightly prosaic performance of the Mass—more tightly sprung rhythms can set its lusty praises and devout supplications in better relief, and so can the irreplaceable colour of boy-treble voices (good though the Taverner sopranos were). The four-man core Taverner Consort gave us Machaut's imperishable *Messe de Notre Dame* with conscious art, and (in the circumstances) aptly interpolated movements of John Cage's *Clarinet Sonata* by the scrupulous Anthony Pay.

Before and after the interval we had the piece, superbly played by the cellist Rohan de Sarum. Nothing less than his passionate involvement can make *Nomos Alpha* seem a convincing performance—after many hearings, I still think that

its theoretical basis remains inaudible, and showmanship has to carry it through. *Kozlov* is an earlier study, with an immediate impact like Xenakis's Greek scene-music, and de Sarum's account of it was forcefully persuasive.

For a smallish audience of aficionados, the festival mounted a late-evening performance of Stefan Wolpe's *Enactments for Three Pianos*, which is in certain quarters a legendary work. Wolpe was a Schoenberg pupil, and one who developed (through exile in Israel, and then in America) severely original works. *Enactments*, which makes cruel demands upon its piano-trio ensemble, was drafted as "major statement" of Wolpe's later art. Its realisation by Andrew Ball, Clive Williamson and Keith Williams was musically scaled to indicate the lofty scale of its five movements, but too modest to give it a full-blooded dramatic profile. With repetition, their spidery sketch should burgeon into 3-D colour, and we might discover it to challenge Bartok's great two-piano Sonata.

David Murray

Chess No 687

1 B-K7, H-Q7; 2 N-Q4, or if Q-B4; 2 B-Q8, or if Q-B5; 2 Q-R5, or if Q-N ch; 2 B-Q, or if Q-R1 ch; 2 N-Q8.

Gillian Darley



## ARTS

FILM FESTIVALS are like a combined arrival and departure hall in the great airport of cinema. At the same time as waving fond handkerchiefs at the departing old, we are asked to give violent hugs of welcome to the arriving new. Nowhere has this schizophrenic behaviour been more evident than at Venice 1987.

Valedictory events have included a tribute to Cinecittà Studios, 50 years old this year, and a giant retrospective devoted to Hollywood veteran Joseph Mankiewicz (director of *All About Eve*, *Clash of the Titans* and *Quadrone*). Subjects for future-gazing include the first year as test director for Guglielmo Biraghi (late of *Taormina*) and the unveiling of the first ever feature film shot in high definition video, dubbed the system of the future, *Julia and Julia*.

I reported on the making of this Italian-produced movie recently, after a visit to the set when the film sported the title *Borderline*. Alas, *Borderline* would be more appropriate for the finished product. Kathleen Turner, Gabriel Byrne and Sting moon through a ludicrous time-travel plot about a widow re-encountering her late spouse. The supraphone stars took all at sea, the Italian supporting cast is dubbed in almost literally unrecognisable English, and the visuals dimly shimmer, as if lit by a falling 100-watt bulb. Lots more work is needed here if this is the shape of things to come as current TV and movie directions almost certainly demand that it is.

*Julia and Julia's* enfeebled lustre soon gave way to the splendours of *Maurice*. The director-producer team of James Ivory and Ismail Merchant — purveyors of finely crafted period pieces, most lately *A Room With A View* — have here gone for E. M. Forster again, fastening on his *Maurice*. *Maurice* is about homosexuality. The film does not, definitely not, have the sumptuous feel of its predecessor. And some scenes teeter on the brink of the risible, as when coping with Forster's romantic



From John Huston's last film, "The Dead"

## Nigel Andrews at the Venice Film Festival

reports on the good, the boring and an unashamed tear-jerker

## Huston's farewell

daydreams about gamekeepers. With muddy boots and Somerset accent, the title young scudder (Rupert Graves) slings up a ladder into the master's bedroom in the final reel and — lo! — desires mesh and classes interlock.

But Ivory's brinkmanship here and throughout is masterly. The film has a choked and elegiac yearning that seems wholly faithful to the pre-war period. (Only a few years ear-

lier, Oscar Wilde had discovered that the love that dared not speak its name could sternly spell out the words "Reading Gao"). And capping Ivory's usual strong supporting cast — Denholm Elliott, Ben Kingsley, Billie Whitelaw, Simon Callow — are newcomers James Wilby and Hugh Grant as the shining actions of Cambridge who graduate into doomed romance.

Though the film is faintly old-

fashioned, old-fashionedness has been a virtue at Venice so far. The two prime French entries — Eri Rohmer's *My Girlfriend's Boyfriend* and Louis Malle's *Farewell to Our Children* — are unwaveringly in their respective director's traditions. Rohmer finds another feather-headed young heroine (Sophie Renoir) to push into romance, via acres of dialogue, wind-surfing, cafe-sitting, dating, philosophising

and other pre-requisites of the Rohmerian life. The terrain is well-trodden, but fresh charms and surprises still spring up. And Malle's movie is another journey into politically darkened boyhood, like his last French film *Lacombe Lucien*. Here he dramatises his own childhood friendship with a Jewish schoolboy eventually carted off by the Nazis. The fresco of life in a 1940s religious school is vivid and often wistfully funny, making all the more poignant, when it comes, the gathering miasma of fear.

No film looks back to the past more pungently than John Huston's last movie, *The Dead*. It looks back not just to the Dublin of 1904 in which James Joyce's original story is set, but to the whole career of this sage old filmic yarn-spinner who kept us entertained for 50 years with everything from Maltese Falcons to African Queens to warring deep-pan Prizils.

*The Dead* had almost everything at Venice with any Irish blood in them going moist-eyed with emotion. Huston's mostly Irish cast (Donald McCann, Donald Donnelly, Maire Keen, Dan O'Herlihy) traverse Joyce's tragicomic tale of lost dreams, missed love and memories swapped across the supper table. I have no Irish blood in me and the tear-ducts remained stubbornly unaltered. The film is shot in sackcloth browns and is reverentially staged (it was filmed in California studio except for a handful of location shots). And the central performance by McCann, as the middle-aged who discovers too late his deficient heart, is disarmingly inexpressive. But at its best — as when the soiree's minor characters chime in with a story, a joke, a reminiscence or a shakily sung Bellini aria — the Huston enchantment works. And in the main female role, McCann's wife, Huston's daughter Anjelica carries on the master's torch in a performance of wonderful mischief and magic, quirky range and Celtic poetry and passion.

## An emperor's art

IT is fitting that the exhibition on currently in Budapest of The Emperor Sigismund and the Art of his Time should be staged within the precincts of Royal Buda; for it was Sigismund who ennobled the castle and made it into a glittering international centre of political, diplomatic and cultural significance. Hungary has suffered such devastation since the 15th century that it is a miracle that anything of the period can be retrieved and displayed. Modern archaeology and painstaking scholarship, however, have achieved the apparently impossible, and the results have been cleverly assembled by Ernő Marosi and his team.

Sigismund of Luxembourg (1388-1437) was an extraordinary medieval politician and diplomatist who began his career by acquiring the throne of Hungary, was elected Holy Roman Emperor in 1414, added the throne of Lombardy to his collection in 1431, was bizarrely crowned "Emperor of Rome" by Pope Eugene IV in 1433, and finally succeeded in his long-cherished desire to inherit the Bohemian throne from his brother. He was the second son of Charles IV of Bohemia, a member of the Luxembourg dynasty, and his mother was German. His roots were therefore everywhere and nowhere, and he became adept at manipulating interests and alliances in his favour. The Hungarian throne he secured by marriage, and his other titles and possessions by diplomatic guile and the judicious use of force.

Clearly, he was an exceptional man, and the reproduction of his portrait attributed to Pisanello shows a strong intelligent face with a pronounced hooked nose. This aspect of him, and the narrowness of his features, being emphasised in the Dürer portrait done from secondary sources after his death.

He began by consolidating his power in Hungary — but at a heavy price for his support — and was alert early to the threat of Turkish imperialism. However, generalship was not one of his skills, and an attempt to stem the Turkish advance ended disastrously at Nikopolis. His later role as Holy Roman Emperor entangled him in Papal politics, and his ambitions in Bohemia in the Hussite controversy. This led to one of the shabbiest episodes in his career, and one of the most disgusting in the history of the Church; for it was Sigismund who granted Huss a "safe conduct" to come and explain his teaching at the Council of Constance, and who did nothing to honour his word when the preacher was thrown into prison, subjected to a mockery of a trial and burnt at the stake. Huss's death brought upon the Emperor the undying hatred of the Hussites and sowed the seeds of those who opposed his dynastic pretensions in Bohemia.

Despite this, and further military failures against both the Venetians and the Turks, Sigismund was astonishingly



Sculpture from the Sigismund Exhibition

unsinkable. Plans in the exhibition show his ambitious expansion of Buda castle, including the construction of the magnificent "Friss (ie new) Palace", inspired by the Papal palace at Avignon, which Sigismund had of course visited. Nothing of it now remains above ground level. Building works in 1974 unexpectedly uncovered the remains of what appears to have been a royal sculpture collection. These beautiful late gothic works are the visual high point of the exhibition. They

Kolosvar painted his magnificent Calvary triptych, on loan to the exhibition from its usual home in Esztergom. At the same time, some of the highest quality work of the international gothic style was being done in illuminated manuscripts. There are superb examples on display, such as the beautiful "St Benedict" cut out from an antiphonary, which is clearly inspired by the Limbourg brothers, and is the work of a Bohemian master.

Another example of fine craftsmanship may be seen in the ivory saddle inlaid with allegorical scenes relating to the Order of the Dragon. There was more than symbolic significance in the order, for the official view of royalty was that the King was *primus inter pares* among his knights.

The legacy of Sigismund was significant in terms of politics, and consequently in terms of culture, for Hungary. His quarrels with the popes resulted in a loosening of the grip of the church over ecclesiastical appointments, an independence from the Papacy, and even a lessening of church influence in education. Geopolitically, he abandoned Dalmatia to Venice, thus ending a 300-year-long involvement of Hungary in Adriatic affairs.

Sigismund himself had more of an eye for the symbolic and aesthetic value of splendour than a taste for the pedantries of scholarship. This is well illustrated by his return to a prelate at the Council of Constance. The cleric complained that the emperor's Latin grammar was not up to much. "Ego sum rex Romanus," replied Sigismund loftily, "et supra grammaticam." ("I am the Roman king, and am above grammar.") The exhibition continues in the Budapest Historical Museum until November 8.

Between 1412 and 1436 Buda (to which Sigismund had moved his capital from Visegrad) was a diplomatic hub where celebrities such as John Palaiologus VIII and Erik VII of Denmark were lavishly entertained.

The lavishness extended to artistic activity elsewhere in the kingdom — during Sigismund's reign the late gothic Coronation Church of St Michael in Pozsony (now Bratislava) was erected, and a similarly elegant church at Kaschau (Kosice). Thomas of

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## Art Galleries

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## Records

## Mozart graced

THE compact disc repertoire is being filled out with an alacrity that hardly anyone expected, despite — or perhaps partly because of — the imminent arrival of the new Japanese DAT systems. The latter will initially be so expensive (£1500 is the guess for a domestic machine) that CDs have time yet to establish a broad beachhead: instant obsolescence is not to be feared. This seems a good time to review recent additions to the Classical repertoire.

From Philips come the piano concertos with, winds, and strings, and Beethoven's (420, 123-2) played by Alfred Brendel and a distinguished team (oboe: Holger, horn: Baumann). Strong and searching performances; a stern standard is set and never relaxed. The latter is an excellent Mitnick/Uchida's survey of Mozart's piano concerti with Jeffrey Tate and the ECO (420, 123-2). Contains the E-flat, K. 482, and the A major, K. 488, is even better than their first.

The young Chamber Orchestra of Europe figures creditably

on several ASV releases. In Mozart, they respond to the venerable Alexander Schneider's conducting with old-fashioned simplicity and sweetness in the 36th and 39th Symphonies (COE 806) and their winds (on COE 804) are warmly mellifluous in the great B-flat Serenade, K. 361 (though I doubt that Mozart imagined an Adagio so slow). With Paavo Berglund as conductor they supply alert accompaniment in the oboe concerti of Mozart and Richard Strauss (COE 808) for Douglas Boyd, who points both works with original wit and sensitivity.

ASV also presents the Lindsay Quartet in Schubert — "Death and the Maiden," and the posthumous *Quartettatz* (DCA 580) — and in Haydn's three op. 54 quartets (DCA 582). Vital intelligence informs these Schubert performances, and the "Death and the Maiden" quartet is continuously exciting. The Lindsay's Haydn, arriving in nice time for their Haydn marathon which begins a week today at the Wigmore, has real romanticising the music (their lean, muscular sound is good insurance against that), they imbue it with passion: fiercely convincing, and liable to make

other readings sound absurdly polite and thin. Jeffrey Tate reappears on EMI with the Staatskapelle Dresden in an objective, beautifully considered performance of Beethoven's Seventh Symphony (CDC 7 47815 2). It opens majestically, and ends with a surging but coolly controlled Finale. The Scherzo has terrific urgency without haste, and Tate gives a fascinating account of the Allegretto variation movement, steadily lyrical and fluent instead of weightily significant in the revered Teutonic manner. The recorded sound is notably full and deep, and the Symphony is complemented by the amiable "Consecration of the House" Overture.

Also on EMI is Olaf Baer in Schubert's *Die schö Müllers cycle* with Geoffrey Parsons at the piano (CDC 7 47987 2). The precociously mature young baritone is altogether as appealing, thoughtful and cultivated as expected; he has unexpected competition nonetheless in the tenor Josef Protschka's performance with Holmuth Deutsch on Capriccio (10 083). Protschka allows himself lustier dramatic expression than Baer, and the cycle does gain from the original higher pitch — particularly for the piano: the mill-

wheel music rumbles heavily with Parsons, though he is a more seasoned accompanist than Deutsch.

The notion of a "winner" here would be silly; we ought to be delighted that there are two new-generation singers who can deliver in cycle with such freshness and style. Small reservations about one account are generally balanced on the other side: I have no honest preference between them, and am greedily pleased to have both.

Another rewarding comparison arises with the EMI version of Chausson's *Concert for piano, violin and quartet* (7475482), though it's not Viennese. A majestic performance appeared not long ago on CBS, with Bolet, Perlman and the Juilliard; the new one by Jean-Philippe Collard, Augustin Dumay and the Muir Quartet is much more specifically French in style.

It lacks the imposing breadth of the earlier account, but it also turns Chausson's occasional lapses into routine rhetoric into believable gestures, and it catches more intimately into expressive detail. The Muir players come into their own with a fine, committed exposition of the Quartet Chausson had almost finished when he took his fatal bicycle ride. It is a remarkable and moving work which this disc should make much better known.

David Murray

## Radio

## The dodo revived

RADIO 4 gave us an interesting programme on Tuesday about the dodo, first recorded when one bit a Dutch sailor in 1598, killed when the Mauritius settlers killed and ate the last one remaining in 1681. There were also dodos on Réunion, not the original *Dodo cucullatus* but the white *Dodo singularis*, of course, which may have survived until 1803. This was the first programme in a series of extinct birds by Jean-Pierre de Rohan, which will be indispensable to connoisseurs of extinct birds, but was, I suspect, slipped in to draw attention to the reports now filling the channels (*The Dodo Legacy* being one).

Six of the week's 10 plays on Radios 3 and 4 were repeats, including all three Radio 3 plays. As I said last week, no harm in repeating good stuff, and three of the plays have won prizes either from Giles Cooper or Sony.

The *Angels They Grow Lonely*, by Gerry Jones, dates from 1963, and I seem not to have written about it. It is a moving short piece about a man who suffers a mental breakdown. First he thinks he is able to fly; then he finds that the doctors are in conspiracy against him; when he loses his job, his illusions take another, sadder form and lead to a sad ending. Gerry Jones writes convincingly about madness, and the play was excellently done under Martin Jenkins's direction, with Nigel Anthony as the invalid.

Three Hours after Marriage was broadcast last year, but I missed it and am delighted to have caught it now. It is a farcical comedy by Gey, Pope and Arbutnot, that plays happy tricks with the characteristic 18th-century play suggested in the title. Old Dr Fossile (Maurice Denham) anxious to beget a son, marries young Mrs Townley (Jenny Funnell). And at once two young actors hovering round her sister Mrs Clunkett, an intellectual playwright who can con the company of people like the great critic Sir Tremendous, have a bet on which will make her first. Each hour after marriage

brings its little plot, each concluded to momentary satisfaction. At the end, Dr Fossile is happy to adopt Mrs Clunkett's bastard baby and so achieve his ideal situation, to have a son without the trouble of a wife. The writing is full of satiric shafts at actors, critics, doctors, lawyers and so on, and the playing under Glyn Dearman's direction is as good as you would expect from a company that includes Nicholas Grace, Mike Gwilym, Charles Gray, John Moffatt, Bernard Hepton and Robert Eddison.

Anne Nightingale's two-part programme about the Beatles' Sergeant Pepper album (Radio 4, Sunday and Monday, repeated from Radio 1) was less nostalgic than I promised, for half those numbers are still as current as the Hallelujah Chorus. (On my set the Monday programme was inexplicably replaced by the Rhapsody in Blue.) It was good to hear it all again, but I wanted to hear more. George Martin, EMI's recording engineer, was there and he told us about the Beatles' intolerable way of monopolising the studio, for over 700 hours of 120 days, at their exclusive convenience. He might have told us more about the music. How much of the orchestration was his own, how much the Beatles'? What was the additional instrumentation? Who played the E-flat trumpet in "Penny Lane" and the strings in "She's Leaving Home"?

*The Shadow Knows* (Radio 4, yesterday) was a documentary about Orson Welles as radio producer and player. We heard bits of near-Shakespeare and near-Donne, of the burning of the Hindenburg airship, of *A Christmas Carol*, of the fictional invasion of New York by H. G. Wells's Martians, of Sherlock Holmes's final encounter with Professor Moriarty (John Gielgud as Holmes). We heard comments from sundry experts, some more interesting than others. I would rather have heard longer extracts from Orson Welles's work on radio, at which he was evidently a master.

B. A. Young

# MADONNA OR MARADONA

It's no coincidence that the big names are attracted to Wembley. Madonna played the Stadium for three sell-out nights in August and Maradona played for the Rest of the World against the Football League at Wembley Stadium in the same month.

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# WEEKEND FT

• SPORT •

## Medicine/ Michael Thompson-Noel

Very late in the day, Britain finally has its own Olympic Medical Centre

WHILE THE heroes and heroines of British athletics were giving their all at the world championships in Rome this week, an event of great significance was occurring at unglamorous Harrow, in Middlesex—to wit, the opening by the Princess Royal of the British Olympic Medical Centre at Northwick Park Hospital and Clinical Research Centre.

Devoted solely to the needs of sportsmen and women, the centre is the first of its kind in Britain. Among other things it will provide medical screening, injury treatment facilities, a referral service, a physiological fitness testing laboratory that offers specific advice on training, and an advisory service covering matters like diet, travel and research into biomechanical aspects of training and competition.

What is more, it boasts some top personnel. The honorary medical director is Dr Mark Harries—a consultant in respiratory medicine at Northwick, member of the British Olympic Medical Sub-Committee since 1978 and medical adviser to the British gymnastics men's squad. He's a surfer, a swimmer, a squash player and a jogger.

In turn, the chief physiotherapist is Dr Craig Sharp who has worked with a variety of Olympic and national squads over the past 15 years and is an experienced coach, team manager, trainer and selector. He also ran cross country for Scotland and played squash for Kenya and the West of Scotland.

Which is all very jolly, if just a shade late—years late, in truth—in that many other countries (some grand, like the US and Russia; others young and thrusting, like Australia and Canada) already have well-established national medical centres of this nature with which to underpin their assault on the record books and medal lists.

The sheer tardiness with which Britain has inaugurated its own Olympic medical centre was much on people's minds at the official opening on Wednesday.

The Princess Royal (herself a former Olympic competitor of note) looked suitably prim-



Getting there, slowly

faced when saying that the facilities had been "a little while in coming."

Sir Christopher Booth, vice-president of the British Olympic Medical Trust, admitted that "the concept of sports medicine is catching on rather late in this country," before adding: "It's a small step we are taking today, but as Mao Tse-tung said—'that's how you get there.'"

And Charles Palmer, chairman of the British Olympic Association, who is also a key figure in international sports politics, said he hoped that the new centre would help "right the failings of the past" so that Britain could at last help its sportspeople "compete on a more equal footing with our rivals—but nonetheless friends—in the Olympic family abroad."

Over the last 10 years, he said, the British Olympic Association had been changing from what some journalists had referred to as an "elite travel agency" into an organisation that sought to support its member bodies properly throughout the four-year period of an Olympiad. What had become clear was that the

medical back-up available to top British sportspeople compared badly with that available to many of their Olympic rivals.

Ever the diplomat, Palmer conjectured that perhaps the reason for this was the excellence of Britain's National Health Service. "It is possible," he said, "that countries without a free national health service more quickly become aware of their sportspeople's needs," adding that he could spend much time describing the marvellous facilities that existed in other countries, but that that would only reflect badly on Britain, which was not his aim.

The starting-up cost of the centre was about £250,000 and it will cost more than £100,000 annually to run. To date, contributors have included the Sports Council (£65,000 initially), Glaxo (£40,000 over two years), the International Olympic Committee (£20,000), the US Olympic Committee's Friendship Fund (£50,000, from the profit made on the LA Olympics) and Adidas (£30,000, for specific research projects), but they need whatever help they can get.

Treatment at the centre is free, though a competitor must be referred directly by a general practitioner or by a given sports medical officer or authorised representative. Nationally there is an official network of physicians, surgeons and physiotherapists should competitors require treatment closer to home.

The sports injury service alone gives some indication of the sophistication of facilities available at Northwick. An injuries clinic is held every Monday morning. There is an extensive diagnostic radiology department, plus expertise in fibroscopic arthroscopy—essential in the diagnosis and management of knee and shoulder injuries. Furthermore, there is a large physiotherapy department consisting of a gymnasium, two hydrotherapy pools and a very experienced staff.

Nor are they slow-watches when it comes to clinical measurement. To quote directly: "The programme of cardiac investigations includes exercise electrocardiography, 24-hour ambulatory ECG monitoring, 2-D echocardiography and gated isotope scintigraphy. This uniquely allows studies of both dynamic and static cardiac function."

As Mao said, that's how you get there.

## Golf Course Design/Ben Wright

# A shortage of modern masters

Only eight post-war layouts rate among Golf Magazine's 100 greatest courses of the world. Any offers?

BY SOME strange co-incidence, the two leading monthly golf magazines published in the US have chosen to feature in the same issue (September) major articles on the endlessly fascinating subject of golf architecture or course design.

Golf Magazine produces its tried and tested annual listing of the "100 greatest courses in the world" although how a panel of 64 expert and distinguished voters ever achieved a consensus is quite beyond me. Golf's deadly and more successful rival, *Golf Digest*, however, has come up with a competition open to all amateur architects among its readers that has so riveted my attention that I have already made a sizeable investment in tracing paper, soft pencils, erasers, a box of water colours and a Country Life magazine. In 1914 *Country Life* magazine ran a similar competition for its readers, asking them to design an "ideal two-shot hole."

Believe it or not, the winning entry was submitted by a young Scottish surgeon named Alister MacKenzie. Not surprisingly, Dr MacKenzie left the medical profession some time later, and went on to design several layouts in Golf's current 100 greatest courses, most notably Cypress Point, ranked 4th, Augusta National (5th), and Royal Melbourne (6th). In addition, two of MacKenzie's lesser known but nonetheless brilliant gems—New South Wales, at the mouth of Botany Bay in Sydney (55th), and Crystal Downs in upper Michigan (59th)—are among 12 newcomers to the top 100. MacKenzie has several more in this notable collection.

In the Gold Digest competition, the reader is presented with a topographical picture of the land lies in a valley beneath the 17th green at "Designer Hills Country Club" and a sizeable swamp some 500 yards away.

The supposition is that the

course has always been a good one but that it possesses a weak finishing hole. The board of governors is determined to have the club considered as a site for the US Open, and has recently purchased the strip of land in question.

In putting it out to tender, these mythical gentlemen state that "they expect the hole to be spectacular, and are also planning to build a new enlarged clubhouse on a new location overlooking the 18th hole."

Also on the map is a creek that runs through the property in a rough S-shape as it meanders into the bog. There is a steep hillside on each side of the valley, on one of which is planned the clubhouse.

The problems involved are several and complicated. For instance, the reader may design anything from a three-shot par five to a destined-to-be-controversial par three.

He or she can drain the swamp to create a lake, or eliminate all or any part of the creek by piping it beneath the fairway. No expense is to be spared. The landscape gardener has designated 11 particularly splendid trees as "specimens," and competitors are expected to retain as many of them as possible.

The club members obviously want to be able to sit in their new clubhouse and watch play to the 18th green as golfers finish their rounds, so the new 18th green must be easily visible from the clubhouse, or else the proposed building site has to be moved. There must be at least three trees all leading to the 18th green, and the green must be a single sand bunk.

Having designed one existing golf course, in the early 1970s, St. Cyprien, in the south-west corner of France, on a former rubbish tip alongside a salt lake hard by the Mediterranean—hardly an ideal site—the Walter Mitty in me is crying out to follow in Dr MacKenzie's footsteps. The winner of the Gold Digest competition will have his or her design published in the magazine and, more interestingly, will attend the next annual meeting of the American Society of Golf Course Architects in Bermuda, play golf with them, and generally get to be one of the gang.

In the sample entry illus-



Jack Nicklaus: his Muirfield Village course in Ohio seems very over-rated

trated, the designer has created a pond from the swamp, almost surrounded his 18th green by water, and buttressed it by the ubiquitous railway sleepers or telephone poles. Only three of the specimen trees survive, the creek is piped away out of play, and the result is a virtually straight par four played at 475, 465, or 495 yards with not a single sand bunk. This design was probably intentionally uninspired.

The panel of four judges for the competition are—most impressively—the four officers of the ASCCA—president, Roger Ruley, vice-president Peter Dye, secretary Robert Trent Jones Jr, and treasurer Dan Maples—all household names throughout the world in their lucrative and enviable profes-

sion. To return to the subject of the 100 greatest courses, I am very impressed by the obvious reverence to traditional standards of design heralded by the elevation of MacKenzie's New South Wales, which opened in 1928, and Crystal Downs (1932). It is similarly encouraging to see Donald Ross's Essex Golf and Country Club in Windsor, Ontario (1929), entering the list in 79th place, and the Arthur Tillinghast-designed Five Farms East course in Baltimore, Maryland (1926).

One of the historic Walker Cup sites in 1965 when Clive Clark holed a 20-footer downhill on the last green in the last singles match to save it, which comes in at 85th. Similarly, the long unfairly overshadowed Sunningdale New course, designed by the great

Harry Colt and opened in 1922, at last squeezes in at 95th place. Sunningdale—Old appears at 99—so that the British club claims a singular distinction in being the only one with two courses in the panel's top 10.

The remarkable Ross gets yet another deserved accolade with the elevation of Plainfield, New Jersey, to 90th place. This was the venue of this year's US Women's Open won by England's Laura Davies, and drew strong support from the entire field. Ross, who moved from his native Dorchester to Pinehurst, North Carolina, early in the century, managed to design or rebuild over 500 courses in America. It is a measure of their quality that Ross has nine courses in the current top 100.

Perhaps the most significant fact that emerges from this detailed study is that only one course in the top 25, Muirfield Village in Dublin, Ohio, designed by Jack Nicklaus, designed by Jack Nicklaus, and placed 20th, has been built since the Second World War. In my opinion this course—the site for this month's Ryder Cup match—is very over-rated. In the top 25 there are but seven post-war layouts, four to the credit of Pete Dye, one to Nicklaus, one to the emerging Tommy Fazio, and one to the late Javier Arana of Spain.

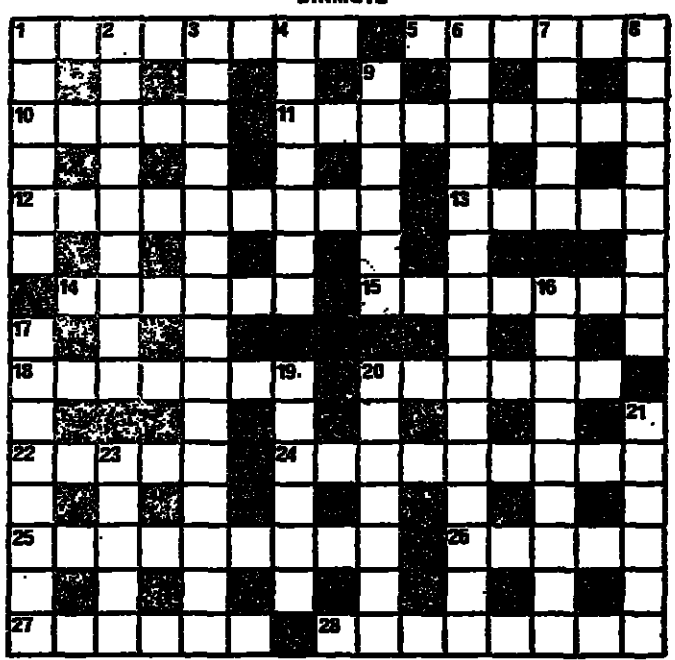
Dye's teeth-of-the-dog course at Casa de Campo in the Dominican Republic is placed 24th, his glorious Harbour Town on Hilton Head Island, South Carolina, is 30th, the Gold Club in New Albany, Ohio, is 38th and Dye's one-notorious Tournament Players Club at Sawgrass, Florida, is 41st.

My favourite Nicklaus course, Shoal Creek in Alabama, is placed 35th, although I think it is far better than his Muirfield. Fazio's Wild Dunes on the Isle of Palms in South Carolina is 49th, and Arana's El Saler, a brilliant course in Valencia, is ranked 50th.

I am proud to have been on 86 of the top 100 courses, though ashamed that I have not even heard of some of them. But the fact that only eight post-war courses are in the top 50 is a stunning indictment of modern design. I intend to change all that!

## FT CROSSWORD PUZZLE No. 6422

DINMUTZ

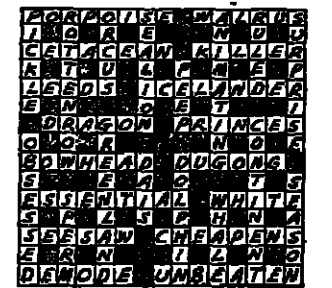


Prizes of £10 each for the first five correct solutions opened. Solutions, to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4A 3DF. Solution next Saturday.

- ACROSS
- Grey coat changed in class (6)
  - Girl for morning lamb, we hear (6)
  - Riding-school mishap (6)
  - In sea of... Covey, five caught—not keeping heads above water (9)
  - Newly-wed fit for Nick? (9)
  - Stern, for example, applies it to how (5)
  - Firm pastries but imitations (6)
  - Convert from sin in respect of title (7)
  - Go a very different way like this traveller (7)
  - In Scotland they greet old announcers (6)
  - Name jug that is fresher (5)
  - Some allowance is made for one in Chelsea (9)
  - Meddling but is overthrown (9)
  - Yarn of two cities in digest form (5)
  - Esurient press-chief in dull environment (6)
  - Violate... fashionable ornamental border (8)

Solution to Puzzle No. 6421

KIM—marine mammal



SOLUTION AND WINNERS OF PUZZLE No. 6417

DOWN

- Golly, they are contemptible people (6)
- Irritable over funds—reported statement in court (9)
- Amazing earth in catchment area (9-6)
- Horsemens surround a group of marauders (7)
- Wrongdoer Potter a criminal, it turns out (15)
- University in too many changes for right to self-government (8)
- Local groom? (6)
- From Ireland, an unusual synthetic hormone (9)
- Plainsong in late service? (8)

Miss E. M. Lock, Paignton, Devon; Mr T. McLaughlin, Blairgowrie, Perthshire; Mr D. H. Browne, Winchester; Mrs M. Webster, Penn. Wolverhampton; Mr P. A. L. Freeman, London NW4.

## SATURDAY

† Indicates programmes in black and white

BBC1  
6.30 am The Family News, 8.35 Dog-tan and the Three Musketeers, 9.00 News, 9.15 Grandstand, 10.15 Cricket, 12.45 pm Athletics, 1.00 News Summary, 1.05 Football Focus, 1.25 Cricket, 2.15 Haydock Racing, 2.20 Cricket, 2.45 Haydock Racing, 3.45 Cricket, 4.00 Evening Athletics, 4.45 Haydock Racing, 5.55-6.00 Athletics, 6.30 News, 6.50 Regional programmes, 6.50 Bob's Full House, 7.25 Bargain, 8.55 News and Sport, 9.10 Film: "Ricky Business", 10.00 Monty Python's Flying Circus, 11.15 World Athletics Championships, 12.05 pm Film: "Up the Front" starring Frankie Howard.

BBC2  
2.15 pm Network East, 2.55 Cricket: The West Bank Trophy Final, 7.30 News, 8.10 A Tribute to the Amadeus String Quartet, an interview with Bernard Haitink, 8.25 Cricket highlights, 10.15-12.15 pm Film: "The Hunchback of Notre Dame," with Charles Laughton.

WORLD SERVICE  
6.55 am TV-on Breakfast programme, 7.30 am The Today Show, 11.30 Paddy Bowyer, 12.00 The Fall Guy, 1.00 pm News, 1.45 Sat and Gravel, 2.30 Wrestling, 3.45 The World Athletics Championships, 4.45 Results Service, 5.00 News, 5.10 Sports, 5.25 Cricket, A-Team, 6.30 Blind Date, 7.15 Bessie's About, 7.45-8.15, 8.25 News and Sport, 8.55 Murder, Mystery Suspense: "The Deadly Dream", 10.30 Clive James, 11.30 The World at Large, 12.00 News, 12.30 World, 1.00 am Night Network.

CHANNEL 4  
9.30 am Listening Eye, 10.00 The Jobfinder 87.

## SUNDAY

† Indicates programmes in black and white

BBC1  
8.55 am Play School, 9.15 Articles of Faith, 9.30 The Day, 10.00 What On Earth?—A Michael Gove, 10.15 Only Time Would Tell, 10.55 The Woodpecker, 11.45 Look Stars, "Where to Watch", 12.10 pm Sign Stars, 12.35 Farming, 1.00-2.00 The Week Next Week, 2.00 Savers, 3.00 Film: "I'm All Right Jack," 3.15 The First of the Month, 3.45 The Making of the Grand Knockout Tournament, 5.30 Vanity Fair, 6.25 News, 6.45 Songs of Praise from the London Borough of Newham, 7.15 The Up, Two Down, 7.45 Howards' Way, 8.35-9.05 Brazil, 9.05 The Happy Valley, Season of "Sunday Premier" opens with the story of a 16-year-old girl who, in Kenya in the 1940s, starring Denholm Elliott, 10.35 News, 10.50 Heart of the Lion, "Once a Catholic", 11.25 Italian Grand Prix, 11.55 The Sky at Night, 12.15 am Network East.

BBC2  
1.30 pm Grandstand: Motor Racing, 3.00 Athletics, 6.50 The Change the World Party, 7.50-8.35 The Great Chase, 8.45-9.15 The Great Chase, 9.15-9.45 The Great Chase, 9.45-10.15 The Great Chase, 10.15-10.45 The Great Chase, 10.45-11.15 The Great Chase, 11.15-11.45 The Great Chase, 11.45-12.15 The Great Chase, 12.15-12.45 The Great Chase, 12.45-1.00 The Great Chase, 1.00-1.30 The Great Chase, 1.30-2.00 The Great Chase, 2.00-2.30 The Great Chase, 2.30-3.00 The Great Chase, 3.00-3.30 The Great Chase, 3.30-4.00 The Great Chase, 4.00-4.30 The Great Chase, 4.30-5.00 The Great Chase, 5.00-5.30 The Great Chase, 5.30-6.00 The Great Chase, 6.00-6.30 The Great Chase, 6.30-7.00 The Great Chase, 7.00-7.30 The Great Chase, 7.30-8.00 The Great Chase, 8.00-8.30 The Great Chase, 8.30-9.00 The Great Chase, 9.00-9.30 The Great Chase, 9.30-10.00 The Great Chase, 10.00-10.30 The Great Chase, 10.30-11.00 The Great Chase, 11.00-11.30 The Great Chase, 11.30-12.00 The Great Chase, 12.00-12.30 The Great Chase, 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